

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS

10.1 BOARD OF DIRECTORS

Our Board acknowledges and takes cognisance of the MCCG, which contains practices to promote greater internalisation of corporate governance culture in companies. The MCCG is specifically targeted at listed companies on Bursa Securities. Listed companies, from the FYE 31 December 2017 onwards, are required to provide explanation on the application of each practice of MCCG in their annual reports. Where there is a departure from a practice, the listed company must provide an explanation for the departure and disclose the alternative adopted and the manner in which such alternative achieves the intended outcome of that practice.

Our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Group effectively.

Our Board is also committed to achieving and sustaining high standards of corporate governance. Our Board will also provide an explanation on the extent of compliance with the MCCG in our first annual report as a listed entity for the FYE 30 June 2018.

Within the limits set by our Constitution, our Board is responsible for the governance and management of our Company. To ensure the effective discharge of its functions, our Board endeavours to follow the MCCG and have set out the following responsibilities in our board charter:

(i) Promoting good corporate governance culture

Together with our senior management, to promote good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour.

(ii) Reviewing and adopting a strategic plan for our Group

- (a) To review, challenge and approve our management's proposal on a strategic plan for our Group by providing objectivity and breadth of judgment to the strategic planning process, and to monitor the implementation of the strategic plan by our management.
- (b) To ensure that the strategic plan of our Group supports long-term value creation and includes strategies on economic, environmental, safety and health, social and governance considerations underpinning sustainability.

(iii) Overseeing the conduct of our Group's business

- (a) To oversee the conduct of our Group's business, including the formulation of strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management.
- (b) To approve and monitor progress of major capital expenditures, fund-raising, acquisitions and divestitures.
- (c) To supervise and assess our management's performance to determine whether our business is properly managed and ensure that appropriate measures are in place against which our management's performance can be assessed.
- (d) To monitor compliance with established policies and procedures.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

(iv) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

- (a) To understand the principal risks of our Group's business and recognise that business decisions involve the taking of appropriate risks.
- (b) To fulfil statutory and fiduciary responsibilities by monitoring the operational, financial and risk management processes of our Group and ensuring that internal controls procedures are in place.
- (c) To set the risk appetite within which our Board expects our management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.
- (d) To comply with environment, safety and health legislations by understanding the operations being carried out by employees and the hazards and risks associated with such operations.

(v) Succession planning

To ensure that our senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of our Board and senior management.

(vi) Overseeing the development and implementation of a stakeholder communication policy for our Group

To ensure that our Group has in place procedures to enable effective communication with stakeholders.

(vii) Reviewing the adequacy and the integrity of our management information and internal control systems of our Group

- (a) To ensure that there is a sound framework of reporting on internal controls and regulatory compliance.
- (b) To review the efficiency and quality of our Group's financial reporting process and systems of accounting and internal controls.
- (c) To ensure the integrity of our Group's financial and non-financial reporting.

In accordance with Rule 109 of our Constitution, an election of Directors shall take place each year and at least 1/3 of our Directors for the time being shall retire from office at each AGM. A Director retiring at a general meeting shall retain office until the conclusion of the meeting. In accordance with Rule 110 of our Constitution, all Directors shall retire from office at least once in every 3 years and such Directors shall be eligible for re-election.

Pursuant to Rule 90.2 of our Constitution, our Directors have the power at any time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, provided that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with our Constitution. Any Director so appointed shall hold office until the conclusion of the next AGM and shall be eligible for re-election at such meeting. A Director retiring under this Rule shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Pursuant to Rule 90.1 of our Constitution, the number of Directors must not be less than 2 but not more than 15. Subject to the Listing Requirements and any vacancy arising, at least 2 of our Directors or half of our Board, whichever is higher, must be Independent Directors. As at the date of this Prospectus, our Board consists of 10 Directors, 6 of whom are Independent Directors.

The details of the members of our Board, the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the LPD are as follows:

Name	Age	Date of appointment	Designation	Date of expiration of the current term of office	No. of years and months in office
Tan Sri Abdul Wahid Omar	53	25 July 2017	Non-Independent Non-Executive Chairman	Subject to retirement at the AGM in 2020	Less than 1/2 year
Dato' Sri Amrin Awaluddin	51	12 July 2017	Managing Director	Subject to retirement at the AGM in 2019	Less than 1/2 year
Dato' Rohana Tan Sri Mahmood	63	23 November 2015	Senior Independent Non-Executive Director	Subject to retirement at the AGM in 2018	2 years
Datuk Tong Poh Keow	63	23 November 2015	Executive Director, CFO	Subject to retirement at the AGM in 2018	2 years
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	62	31 December 2010	Independent Non-Executive Director	Subject to retirement at the AGM in 2020	Near to 7 years
Dato' Johan Ariffin	58	31 December 2010	Independent Non-Executive Director	Subject to retirement at the AGM in 2020	Near to 7 years
Dato' Jaganath Derek Steven Sabapathy	60	28 March 2014	Independent Non-Executive Director	Subject to retirement at the AGM in 2018	Near to 4 years
Datuk Dr Mohd Daud Bakar	53	12 July 2017	Non-Independent Non-Executive Director	Subject to retirement at the AGM in 2019	Less than 1/2 year
Dato' Seri Ahmad Johan Mohammad Raslan	58	12 July 2017	Independent Non-Executive Director	Subject to retirement at the AGM in 2019	Less than 1/2 year
Datin Norazah Mohamed Razali	47	12 July 2017	Independent Non-Executive Director	Subject to retirement at the AGM in 2020	Less than 1/2 year

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Save for Tan Sri Abdul Wahid Omar and Datuk Dr Mohd Daud Bakar, who are representatives of PNB on our Board, none of our other Directors represent any corporate shareholder.

10.1.1 Profiles of our Directors

- (i) **Tan Sri Abdul Wahid Omar**, is our Non-Independent Non-Executive Chairman. He is currently the Group Chairman of PNB, a position he has held since 1 August 2016 following the completion of his term as a Senator and Minister in the Prime Minister's Department in charge of Economic Planning from June 2013 to June 2016. He holds a Diploma in Advanced Accountancy from Luton College of Higher Education, United Kingdom which he obtained in 1985. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) as well as a member of the Institute of Chartered Accountants in England & Wales (ICAEW) and the Malaysian Institute of Accountants (MIA). He is also a holder of a Capital Market Services Representative's Licence.

Tan Sri Abdul Wahid Omar began his career as an Audit Assistant at KPMG in 1987. He joined Bumiputra Merchant Bankers in 1988 as an Officer, Corporate Finance and was subsequently, promoted to Assistant Manager and Deputy Manager, Corporate Banking. He then joined Kumpulan FIMA Berhad as the Vice President, Finance in 1991 and subsequently held the position of Senior Vice President until 1994. He joined Amanah Capital Group as Director of Corporate Services in 1994 and subsequently assumed the role of Divisional Director of Capital Market & Securities of the Amanah Capital Group until 2001 when he joined Telekom Malaysia Berhad as Chief Financial Officer.

Tan Sri Abdul Wahid Omar was the Managing Director/ Chief Executive Officer (CEO) of UEM Group Berhad from 2001 to 2004 as well as Executive Vice Chairman of PLUS Expressways Berhad from 2002 to 2004. He was the Group CEO of Telekom Malaysia Berhad from July 2004 until its demerger with Axiata Group Berhad in April 2008.

Tan Sri Abdul Wahid Omar was the President and CEO of Malayan Banking Berhad (Maybank), Malaysia's largest banking group and one of the leading banking groups in Southeast Asia, from May 2008 to June 2013. He was also the Chairman of The Association of Banks in Malaysia from 2009 to 2013. Maybank was the 3rd major organisation that he has led as CEO prior to joining the Malaysian Cabinet in June 2013.

Tan Sri Abdul Wahid Omar is currently a director of Amanah Saham Nasional Berhad, Amanah Mutual Berhad and Pelaburan Hartanah Nasional Berhad.

Tan Sri Abdul Wahid Omar has received numerous awards throughout his career. These include Malaysia's CEO of the Year 2006 Award from Business Times/American Express, The Asian Banker's 2013 Leadership Achievement Award for Malaysia and The Edge Value Creator 2013. He was also awarded the Honorary Doctorate in Economy from Multimedia University, Malaysia in 2014.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

- (ii) **Dato' Sri Amrin Awaluddin**, a Malaysian aged 51, is our Managing Director. He holds a Bachelor of Business Administration (Honours) from the Acadia University, Canada in 1989 and subsequently, a Master of Business Administration (Finance) with Distinction from University of Hull, United Kingdom in 1994. He is a member of the Chartered Institute of Management Accountants, United Kingdom (CIMA) and a Chartered Accountant of the Malaysian Institute of Accountants since 2016.

Dato' Sri Amrin Awaluddin began his career in 1989 in the financial services industry with BBMB Discount House Berhad as a money market dealer before joining Development and Commercial Bank Berhad in 1990 as an officer handling corporate and commercial loans transactions. He later joined Amanah Merchant Bank Berhad in 1990 and he served the financial institution in the position of Manager of the Structured and Project Finance Division before leaving the organisation in 1996.

He joined Renong Berhad as Senior General Manager in 1996 and subsequently left to join Malaysian Resources Corporation Berhad as Head of Corporate Finance in 1999 where he served the company in this position until 2000. In 2001, he was appointed as Chief Operation Officer of Putra Capital Berhad before he joined the Media Prima Berhad group of companies ("**Media Prima Group**") in the same year.

Dato' Sri Amrin Awaluddin joined as the CFO of Sistem Televisyen Malaysia Berhad (TV3) ("**STMB**") in 2001. His main responsibility was to restructure and turnaround STMB and The New Straits Times Press (Malaysia) Berhad ("**NSTP**"). Following the successful restructuring of the former media assets of Malaysian Resources Corporation Berhad, Media Prima Berhad was established in year 2003 and he was appointed as Group CFO. He played a pivotal role in transforming the Media Prima Group into an integrated media group. He assumed the position of CEO of Natseven TV Sdn Bhd (ntv7) in 2006 and then as the CEO of STMB in 2008. In 2009, he was appointed as the Group Managing Director of Media Prima Berhad and he was then re-designated to the position of Executive Director and Non-Executive Director of Media Prima Berhad on 1 August 2017 and 21 August 2017, respectively. Subsequently, he resigned from Media Prima Berhad Group on 30 September 2017.

Dato' Sri Amrin Awaluddin sits on the board of directors of several subsidiaries of SD Property. He is also an Independent Non-Executive Director of Taliworks Corporation Berhad and CIMB Bank Berhad.

Dato' Sri Amrin Awaluddin is the Deputy President of Kuala Lumpur Business Club (KLBC), a Member of the Board of Trustees of Enactus Education Foundation and Ahli Lembaga Pengurus Tabung Amanah Perwira dan Pertahanan Negara (TAPPN).

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

- (iii) **Dato' Rohana Tan Sri Mahmood**, a Malaysian aged 63, is our Senior Independent Non-Executive Director. She holds a Bachelor of Arts (Honours) in Politics from University of Essex, United Kingdom in 1980 and subsequently a Master in International Relations from University of Sussex, United Kingdom in 1981.

Dato' Rohana Tan Sri Mahmood started her career in 1981 with the Ministry of Foreign Affairs as an assistant secretary of Planning Division, in charge of the foreign affairs between Malaysia and Indo China. She left the Ministry of Foreign Affairs in 1983 to join the Institute of Strategic and International Studies as a researcher of public affairs in charge of research and conferencing and was subsequently promoted to become the director of the public affairs division in the same year.

Dato' Rohana Tan Sri Mahmood is the founder and currently the Chairman of RM Capital Partners & Associates Sdn Bhd, a Malaysian private equity fund, which is a spin off from Ethos Capital Sdn Bhd, a Malaysian private equity fund established in 2007 and ended in 2012. She is also a board member of various listed and private companies including AMMB Holdings Berhad, AmlInvestment Bank Berhad, Paramount Corporation Berhad, Sime Darby Berhad, Sime Darby Industrial Holdings Sdn Bhd, KDU University College Sdn Bhd and YIM Technology Resources Sdn Bhd. She was the former Chairman of Tropicana Corporation Berhad.

Dato' Rohana Tan Sri Mahmood is currently a member of the APEC Business Advisory Council, Malaysian Committee of the Council for Security Cooperation in the Asia Pacific, Member of Global Council of the Asia Society, New York and a trustee of the Malaysian Youth Orchestra Foundation. She is the Chairman of the Advisory Council and founding member of the Kuala Lumpur Business Club, an exclusive networking and business development organisation limited to 100 members of Malaysia's leading corporate and business leaders. She is also a Distinguished Fellow and board member of the Institute of Strategic and International Studies Malaysia.

- (iv) **Datuk Tong Poh Keow**, a Malaysian aged 63, is our Executive Director, CFO. She obtained a Diploma in Commerce from Kolej Tunku Abdul Rahman in 1977 and in that year, she passed both the Examination of The Institute of Chartered Secretaries and Administrators and the Examination of The Chartered Association of Certified Accountants. She is a Fellow of the Chartered Association of Certified Accountants and Chartered Accountant of the Malaysian Institute of Accountants. She was a member of The Institute of Chartered Secretaries and Administrators, United Kingdom until she terminated her membership in 2017. She was appointed as a member of the Malaysian Accounting Standards Board from 2013 to 2016. She was then re-appointed as a member of the Board in 2016 and will serve for a term of 3 years.

Datuk Tong Poh Keow began her career as secretarial assistant with Siva, Heng & Monteiro in 1978 and was promoted to become a Manager of Secretarial Services and Audit in 1980 before she left the firm to join Shapadu Holding Sdn Bhd in 1981 where she was an accountant and company secretary until March 1983.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Datuk Tong Poh Keow joined Highlands & Lowlands Berhad in November 1983 as an accountant and assistant company secretary. In 1985, she joined Kumpulan Guthrie Berhad as an accountant and was promoted to become a General Manager of Accounting and Financial Reporting in 1997 and served the company until 2001. In 2001, she served the Kumpulan Guthrie Berhad group as Group General Manager of Group Accounting and Financial Report for about 2 years until 2003 where she was then promoted to become the CFO of Kumpulan Guthrie Berhad and serve the company until 2007. In 2007, after the Merger, she was appointed as the CFO of SD Plantation for about 1/2 year prior to her appointment as the CFO of SDB in 2008 where she served SDB in this position for about 9 years until 2017. She was named the Best CFO in Malaysia for 2014 and 2015 at the Institutional Investor Corporate Awards – Alpha Southeast Asia and is widely regarded as one of the best professionals in her field, in the region.

- (v) **Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj**, a Malaysian aged 62, is one of our Independent Non-Executive Directors. He holds a Diploma in Business Administration from Universiti Teknologi Mara in 1974.

Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj began his career with Charles Bradburne (1930) Sdn Bhd as a broker from 1974 to 1981. He was appointed as a director of various listed and private companies including TTDI Development Sdn Bhd from 1978 to 2000, United Estate Projects Sdn Bhd from 1983 to 1987, Tractors Malaysia Holdings Berhad from 1987 to 2007 and Sime Darby Medical Centre Subang Jaya Sdn Bhd from 1987 to 2013. He was also a member of the Supervisory Committee and Audit Committee of the property division of SDB from 2008 to 2010.

Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj is currently the Chairman of Dutaland Berhad, Global Oriental Berhad, Titas Holding Sdn Bhd, Titas Realty Sdn Bhd and TasGlobal Sdn Bhd. He is also a director of Mycron Steel Berhad and serving on the board of directors of several companies involved in the property development business such as City Properties Sdn Bhd and M.A. Development Sdn Bhd. He sits on the Board of Trustee of the Cancer Research Malaysia.

- (vi) **Dato' Johan Ariffin**, a Malaysian aged 58, is one of our Independent Non-Executive Directors. He graduated from Indiana University, USA in 1980 with a BA (Economics) and went on to complete his MBA (Marketing) from University of Miami, USA in 1981.

Dato' Johan Ariffin began his career in 1981 with Citibank NA till he left in 1985 as Manager, Real Estate Division of the bank. He then joined PGK Sdn Bhd (a 1000 acre Kuala Lumpur development joint venture between Peremba Bhd and Kuala Lumpur City Hall) as Senior Finance & Marketing Manager till 1988. He was then appointed Group General Manager of Farlim Group (Malaysia) Bhd in 1988 where he served the group in this position until 1990.

In 1990, Dato' Johan Ariffin started his own investment and consultancy company known as Cosmopolitan Ventures Sdn Bhd and remains its founding shareholder and managing director to date. From 1995 to 1997, he was the Director, Property Division of Wembley Industries Holdings Bhd and from 1997 to 1999, he was the CEO of Idris Hydraulic Properties Sdn Bhd.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Following the 1997 Asian Financial Crisis from July 1999, Dato' Johan Ariffin served as General Manager then Senior General Manager, Property Division of Pengurusan Danaharta Nasional Berhad till July 2002, when he was seconded to TTDI Development Sdn Bhd as Executive Director in 2002 and subsequently becoming its Managing Director in 2005 up till February 2009.

Dato' Johan Ariffin is currently a board member of Malayan Banking Berhad where he is also a member of the Audit and Credit Review Committees. He is also a board member of Maybank Ageas Holdings Berhad, Etiqa Insurance Berhad, Etiqa Takaful Berhad and Etiqa International Holdings Sdn Bhd. He is also currently Chairman of Maybank (Cambodia) Plc.

Dato' Johan Ariffin is also a director of TPPT Sdn Bhd, Pelaburan Hartanah Nasional Berhad as well as PNB Merdeka Ventures Sdn Bhd. He is also Chairman of Mitraland Group of Companies and has served as a National Council Member of the Real Estate Housing Developers Association ("REHDA") since 2005. He also serves as Chairman of BPHCL.

- (vii) **Dato' Jaganath Derek Steven Sabapathy**, a Malaysian aged 60, is one of our Independent Non-Executive Director. He holds a Master of Arts majoring in Corporate Finance and International Trade from Edinburgh University, United Kingdom in 1981.

Upon graduation, he joined a leading London firm of chartered accountants, Price Waterhouse in 1981.

In 1984, Dato' Jaganath Derek Steven Sabapathy returned to Malaysia and joined KPMG Peat Marwick as a Manager. He was admitted a Partner of KPMG Malaysia in 1990. Whilst at KPMG Malaysia, he was involved in a wide range of assignments covering audit, investigations, management consultancy and corporate finance in Malaysia, the ASEAN countries, North America and Europe. He sat on a variety of KPMG International Committees including committees for Mergers and Acquisitions Privatisation and Management Consultancy. He was also an examiner for the professional examinations of the Malaysian Association of Certified Public Accountants (MACPA).

Dato' Jaganath Derek Steven Sabapathy left KPMG Malaysia in late 1994 to join Benta Plantation Berhad as an Executive Director. In 1995, he left Benta Plantation Berhad and was appointed as a Director of Austral Lao Power Co Ltd until 1997. He joined Prime Utilities Berhad and Indah Water Konsortium Sdn Bhd, Malaysia's privatised national wastewater utility, in 1997 as the Managing Director of both the companies, a position he held up to 1999. From 1999 until his retirement in 2013, Dato' Jaganath Derek Steven Sabapathy served as the Chief Executive Officer / Director of Bandar Raya Developments Berhad Group.

Dato' Jaganath Derek Steven Sabapathy is currently the Founder and Chief Executive Officer / Director of Tribeca Real Estate Asset Management Sdn Bhd, a niche property development company. He is a Non-Independent Non-Executive Director of Microlink Solutions Berhad. He is also a Director of Ho Hup Ventures (KK) Sdn Bhd and Golden Wave Sdn Bhd.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

- (viii) **Datuk Dr Mohd Daud Bakar**, a Malaysian aged 53, is one of our Independent Non-Executive Directors. He holds a Bachelor of Shari'ah (Honours) (2nd Class Upper) from University of Kuwait, Kuwait in 1988 and a Doctor of Philosophy in Islamic legal theory from University of St. Andrews, Scotland in 1993. He obtained a Bachelor of Jurisprudence (External) from University of Malaya in 2002.

Datuk Dr Mohd Daud Bakar began his career as a lecturer at Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia from 1989 until 2005. In 2000, he was promoted to become the Dean of Postgraduate Studies and subsequently promoted to become the Deputy Vice Chancellor/ Deputy Rector of International Islamic University Malaysia in 2002.

Datuk Dr Mohd Daud Bakar was a Shariah Board member of the Accounting and Auditing Organisation for Islamic Financial Institutions of Bahrain from 2005 to 2012 where he was involved in developing and issuing Shariah standards for Islamic financial institutions on global scale.

Datuk Dr Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in 5 cities globally. He currently serves as the Chairman of the Shariah Advisory Council of Central Bank of Malaysia, the SC, Labuan Financial Services Authority, and First Abu Dhabi Bank. He is also a Shariah board member of various global financial institutions, including the National Bank of Oman (Oman), Amundi Asset Management (France), Bank of London and Middle East (London), BNP Paribas (Bahrain), and Dow Jones Islamic Market Index (New York) amongst many others.

Datuk Dr Mohd Daud Bakar is a member of the PNB Investment Committee. He is also the third Chair Professor in Islamic Banking and Finance of Yayasan Tun Ismail Mohamed Ali Berdaftar (YTI) PNB at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM). He is now the Editor-in-Chief for Malaysian Business magazine.

In 2014, Datuk Dr Mohd Daud Bakar has been honoured with "The Asset Triple A Industry Leadership Award" at The Asset Triple A Islamic Finance Award 2014 and also received the "Most Outstanding Individual" award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad's birthday. Under his leadership, Amanie Advisors received the "Islamic Economy Knowledge Infrastructure Award" at the Global Islamic Economy Summit, Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai in October 2015. In 2016, he received the "Award of Excellence for Outstanding Contribution for Shariah Leadership & Advisory" at London Sukuk Summit Awards and "Shariah Adviser Award" at The Asset Triple A Islamic Finance Award.

His publications include articles in various academic journals and presentations of more than 150 papers in both local and international conferences. His first book entitled "**Shariah Minds in Islamic Finance: An Inside Story of A Shariah Scholar**" has won the "**Islamic Finance Book of the Year 2016**" by the Global Islamic Finance Award (GIFA).

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

- (ix) **Dato' Seri Ahmad Johan Mohammad Raslan**, a Malaysian aged 58, is one of our Independent Non-Executive Directors. He holds a Bachelor of Economics (Honours) degree in Economics and Accountancy from University of Hull, United Kingdom in 1981. He qualified as a Fellow of the Institute of Chartered Accountants in England and Wales in 1984. He became a Fellow of that Institute in 2009. He has been a member of the Malaysian Institute of Accountants since 2001 and was its Council Member from 2007 to 2012. He has been a member of the Malaysian Institute of Certified Public Accountants since 2002 and was its President from 2011 to 2012.

During his career, Dato' Seri Ahmad Johan Mohammad Raslan was mainly involved in providing audit and advisory services to his clients. He began his career with Robson Rhodes, a firm of chartered accountants in London, United Kingdom in 1981. He left the firm in 1990. Robson Rhodes subsequently became part of Grant Thornton LLP in 2007. He joined Price Waterhouse London, United Kingdom in 1990 as a Manager and thereafter returned to Malaysia in 1992 and joined Price Waterhouse in Kuala Lumpur as an Executive Director. He was admitted as a Partner of the firm in 1993. Price Waterhouse merged with the firm of Coopers & Lybrand in 1998, and was subsequently known as PricewaterhouseCoopers ("PwC"). He was elected as the Executive Chairman of PwC Malaysia in 2004. In 2008, he became the Joint Executive Chairman for the PwC Southeast Asia Peninsular Region (the combination of PwC firms in Malaysia, Thailand, Vietnam, Cambodia and Laos).

As Executive Chairman of PwC Malaysia, Dato' Seri Ahmad Johan Mohammad Raslan's work involved extensive engagement with boards of directors and business leaders, as well as with the regulatory community. He was a member of the Global Public Policy Committee of the 'Big 6' accounting firms from 2010 to 2012. The Committee coordinated the Big 6 accounting firms' engagement with worldwide regulators and governments. He was also a Council Member of PwC's Global Diversity & Inclusion Council from 2011 to 2012. He served two 4-year terms as Executive Chairman until his retirement from PwC in 2012.

Outside PwC, he was given several responsibilities by the Government. He was appointed by the Minister of Finance to serve as Chairman of the Financial Reporting Foundation (the organisation which oversees the work of the Malaysian Accounting Standards Board) from 2003 to 2009. He was appointed by the Minister of Finance to serve as a Board member of KWAP from 2010 to 2012. He also served as a Board member and Audit Committee Chairman of Putrajaya Corporation, an appointment by the Federal Territories Minister, from 2005 to 2012.

In addition, Dato' Seri Ahmad Johan Mohammad Raslan has worked with regulators in relation to the development of the financial markets in Malaysia. For example, under the SC he was involved in the committee which established the Audit Oversight Board and the Corporate Governance Consultative Committee. Under Central Bank of Malaysia, he served as a member of the Financial Stability Executive Committee from 2009 to 2012, and as a member of the International Advisory Panel of the Labuan Financial Services Authority from 2004 to 2012. He is currently a member of the Faculty of the Financial Institutions Directors Education ("FIDE") programme, which provides development for directors of financial institutions in Malaysia.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Dato' Seri Ahmad Johan Mohammad Raslan is currently a Non-Independent Non-Executive Director of AMMB Holdings Berhad and an Independent Non-Executive Director of Eco World International Berhad, both of which are public listed companies in Malaysia. He is also an Independent Non-Executive Director of Prima Ekuiti (UK) Limited (a subsidiary of KWAP), and a Non-Independent Non-Executive Director of QPR Holdings Ltd, both of which are private companies in the United Kingdom.

- (x) **Datin Norazah Mohamed Razali**, a Malaysian aged 47, is our Independent Non-Executive Director. She graduated with a Bachelor of Laws (Honours) degree from the International Islamic University Malaysia in 1993. She also holds a Diploma of the Imperial College in Management from Imperial College, United Kingdom and has received a Master of Business Administration (MBA) in Management from The Imperial College Business School, University of London, United Kingdom in 1998. She was admitted as an Advocate and Solicitor of the High Court of Malaya and became a member of the Malaysian Bar in 1994.

Datin Norazah Mohamed Razali began her career with Sidek, Teoh, Wong & Dennis as a solicitor in 1994 before leaving to further her studies in the United Kingdom in 1997.

After obtaining her MBA in 1998, she returned to Southeast Asia and joined the management consulting firm of Booz, Allen & Hamilton in Singapore. She served the firm for a year and left in 2000 to join The Boston Consulting Group as a consultant based in Kuala Lumpur. At the Boston Consulting Group, Datin Norazah Mohamed Razali was promoted to Principal in 2007. Just prior to that, she was in the role of Project Leader as well as alternating as the Asia Pacific Recruiting Head for The Boston Consulting Group.

She was elected as the Partner and Managing Director of The Boston Consulting Group in 2010 as well as a member of its Executive Leadership team in Southeast Asia. As a Partner, she undertook a range of leadership roles within the firm including, leading the The Boston Consulting Group Malaysia from 2012 to 2015, the Public Sector Practice in Malaysia from 2012 to 2017 as well as the Women's Initiative Programme in Southeast Asia to encourage women participation in senior leadership roles. She was also a core member of the Boston Consulting Group's global Economic Development team. In August 2017, she took on the role of Senior Advisor of The Boston Consulting Group focusing on Malaysia. She has experience in advising clients on regional economic development including, real estate and commercial development as well as marketing and investments, industry re-structuring as well as company level transformation and growth strategies across ASEAN.

Our Directors also hold directorships in other companies, as disclosed in Section 10.1.3 of this Prospectus.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

10.1.2 Shareholdings of our Directors

As at the LPD, SDB owns all of our issued Shares. Based on the shareholdings of our Directors in SDB as at the LPD, the direct and indirect shareholdings of our Directors in our Company after the Pre-Listing Restructuring are as follows:

Director	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Tong Poh Keow	32,000	-(1)	-	-
Dato' Johan Ariffin	-	-	880(2)	-(1)(2)

Notes:

(1) Negligible.

(2) Deemed interested by virtue of the shares in SDB held by his spouse pursuant to Section 59 of the Act.

10.1.3 Principal business activities outside our Group performed by our Directors and directorships of our Directors outside our Group

The principal business activities outside our Group performed by our Directors as at the LPD and the directorships of our Directors outside our Group at present and in the past 5 years preceding the LPD are as follows:

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Tan Sri Abdul Wahid Omar	<i>Present directorships:</i>		
	• Amanah Mutual Berhad	• Unit trust management	• Nil
	• Amanah Saham Nasional Berhad	• Unit trust management	• Nil
	• I & P Group Sdn Berhad	• Investment holding and provision of management services to the subsidiaries which are principally involved in property development activities	• Nil
	• Pelaburan Hartanah Nasional Berhad	• Real estate investment trust management	• Nil
	• Petaling Garden Sdn Bhd	• Property development and investment holding	• Nil
	• PNB	• Investment holding and providing management consultancy services with investment in companies carrying on property development, property investment and hospitality and leisure activities	• Nil

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Tan Sri Abdul Wahid Omar (Cont'd)	• PNB-Wasserstein Holdings LLC	• Investment holding in a joint venture company (not related to property development activities) with a United States private equity company	• Nil
	• PNB (UK) Limited	• Investment management services	• Nil
	• PNB Commercial Sdn Berhad	• Investment holding with subsidiaries which are principally involved in property investment, hotel operations, operation of golf course and property management services	• Nil
	• PNB Jersey Limited	• Investment holding company with subsidiaries which are principally involved in property investment activities	• Nil
	• PNB Management Services Sdn Berhad	• Provision of management services to training centres, holiday resorts and service apartments	• Nil
	• PNB Merdeka Ventures Sdn Berhad	• Property holding company with subsidiaries carrying on property development activities	• Nil
	• Syarikat Perumahan Pegawai Kerajaan Sdn Bhd	• Property development and sells land, residential and commercial properties and rental of properties	• Nil
	• Yayasan Sultan Ibrahim Johor	• Development housing schemes in Johor	• Nil
<i>Previous directorships:</i>			
	• Malayan Banking Berhad (resigned on 4 June 2013)	• Commercial banking and related financial services	
	• Maybank Ageas Holdings Berhad (resigned on 4 June 2013)	• Investment holding	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Tan Sri Abdul Wahid Omar (Cont'd)	<ul style="list-style-type: none"> • Maybank IB (resigned on 4 June 2013) • PNB Value Homes Sdn Berhad (resigned on 5 September 2017) 	<ul style="list-style-type: none"> • Investment banking • Property development 	
Dato' Sri Amrin Awaluddin	<i>Present directorships:</i>		
	<ul style="list-style-type: none"> • BPHCL group of companies • CIMB Bank Berhad • PJ Midtown Development Sdn Bhd • Sime Darby CapitaLand (Melawati Mall) Sdn Bhd • Sime Darby Sunrise Development Sdn Bhd • Tabung Amanah Perwira dan Pertahanan Negara (TAPPN) • Taliworks Corporation Berhad 	<ul style="list-style-type: none"> • Investment holding with subsidiaries involved in property development and property investment • Commercial banking and related financial services • Property development • Property investment • Property development • Government foundation to safeguard the welfare of the survivors in carrying out the task of defending the country • Investment holding, provision of contracting project and management services 	<ul style="list-style-type: none"> • Nil • Nil • Nil • Nil • Nil • Nil • Nil
	<i>Previous directorships:</i>		
	<ul style="list-style-type: none"> • Able Communications Sdn Bhd (resigned on 30 September 2017) • Animated & Production Techniques Sdn Bhd (resigned on 30 September 2017) • Big Tree Outdoor Sdn Bhd (resigned on 30 September 2017) 	<ul style="list-style-type: none"> • Dormant • Dormant • Provision of advertising space and related services, investment holding and management services 	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Dato' Sri Amrin Awaluddin (Cont'd)	<ul style="list-style-type: none"> • Calcom Sdn Bhd (resigned on 30 September 2017) 	<ul style="list-style-type: none"> • Dormant 	
	<ul style="list-style-type: none"> • Jupiter Outdoor Network Sdn Bhd (resigned on 30 September 2017) 	<ul style="list-style-type: none"> • Outdoor advertising 	
	<ul style="list-style-type: none"> • Kurnia Outdoor Productions Sdn Bhd (resigned on 30 September 2017) 	<ul style="list-style-type: none"> • Production of advertising display 	
	<ul style="list-style-type: none"> • Lazim Juta Sdn Bhd (resigned on 30 September 2017) 	<ul style="list-style-type: none"> • Dormant 	
	<ul style="list-style-type: none"> • Lokasi Sejagat Sdn Bhd (resigned on 30 September 2017) 	<ul style="list-style-type: none"> • Dormant 	
	<ul style="list-style-type: none"> • Media Prima Berhad (resigned on 30 September 2017) 	<ul style="list-style-type: none"> • Investment holding and provision of management services to its subsidiaries. Its subsidiaries are principally involved in investment holding, commercial television and radio broadcasting, publishing, sale of newspapers, home shopping network, provision of internet based online services, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and streaming rights, content production, property management services and other media industry related services 	
	<ul style="list-style-type: none"> • Media Prima Digital Sdn Bhd (resigned on 30 September 2017) 	<ul style="list-style-type: none"> • New media business and related activities 	
<ul style="list-style-type: none"> • NSTP (resigned on 30 September 2017) 	<ul style="list-style-type: none"> • Newspaper publishing and investment holding 		

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Dato' Sri Amrin Awaluddin (Cont'd)	• One FM Radio Sdn Bhd (resigned on 21 October 2015 and 30 September 2017)	• Commercial radio broadcasting	
	• Primeworks Studios Sdn Bhd (resigned on 30 September 2017)	• Production of television content and motion picture films, acquiring ready made films from local producers and production houses and investment holding	
	• Skyten Marketing Sdn Bhd (resigned on 30 September 2017)	• Dormant	
	• Star Crest Media Sdn Bhd (resigned on 30 September 2017)	• Dormant	
	• STMB (resigned on 30 September 2017)	• Commercial television broadcasting	
	• Syncrosound Studio Sdn Bhd (resigned on 30 September 2017)	• Commercial radio broadcasting	
	• Strategic Media Asset Mgmt Co. Ltd (resigned on 30 September 2017)	• Dormant	
	• The Talent Unit Sdn Bhd (resigned on 30 September 2017)	• Talent management of artistes	
	• Uniteers Outdoor Sdn Bhd (resigned on 30 September 2017)	• Advertising contracting and agents, sale of advertising space	
Dato' Rohana Tan Sri Mahmood	<i>Present directorships:</i>		
• AmlInvestment Berhad	Bank	• Investment banking	• Nil
• AMMB Holdings Berhad		• Banking and financial institution	• Chairman of Group Nomination and Remuneration Committee • Chairman of Governance Committee

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Dato' Rohana Tan Sri Mahmood (Cont'd)	• CVSB International Sdn Bhd	• Investment holding	• Nil
	• Ethos Capital Sdn Bhd (in Members' Voluntary Winding Up)	• Private equity	• Direct equity interest of 17.05%
	• Institute of Strategic and International Studies	• Objective and independent policy research	• Nil
	• KDU University College Sdn Bhd	• Education	• Nil
	• Pacific Basin Economic Council Malaysia	• Non-profit organisation with the objective of facilitating business in the Asia - Pacific region	• Nil
	• Paramount Corporation Berhad	• Investment holding with 2 core businesses in property development and education services and provision of management services	• Chairman of Board Risk Management Committee
	• MFL International Sdn Bhd	• Investment holding	• Nil
	• RM Capital Partners Sdn Bhd	• Dormant	• Direct equity interest of 99.998%
	• RM Capital Partners & Associates Sdn Bhd	• Provision of support services to fund manager	• Direct equity interest of 99%
	• RMCP One Sdn Bhd	• Investment holding / private equity	• Indirect equity interest
• Rohana Mahmood & Associates Sdn Bhd	• Advisory & consultancy	• Nil	
• SDB	• Investment holding in 5 core businesses in plantation, industrial equipment, motors, property and logistics	• Chairman of Sustainability Committee • Member of Governance and Audit Committee • Member of Nomination and Remuneration Committee	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Dato' Rohana Tan Sri Mahmood (Cont'd)	<ul style="list-style-type: none"> Sime Darby Industrial Holdings Sdn Bhd 	<ul style="list-style-type: none"> Investment holding in Caterpillar dealers by offering industrial solutions and comprehensive variety of equipment and services, from sales of new machines, engines or used equipment to rental and providing te full range of product support and financing services 	<ul style="list-style-type: none"> Nil
	<ul style="list-style-type: none"> YIM Technology Resources Sdn Bhd 	<ul style="list-style-type: none"> Trading in IT products 	<ul style="list-style-type: none"> Nil
	<i>Previous directorships:</i>		
	<ul style="list-style-type: none"> Amerstrand Offshore Sdn Bhd (resigned on 31 March 2015) 	<ul style="list-style-type: none"> To prospect, explore for produce, exploit, refine compound, treat, process, manufacture products in oil and gas 	
	<ul style="list-style-type: none"> Amwater Investment Management Pte Ltd (resigned on 8 July 2013) 	<ul style="list-style-type: none"> Asset / portfolio management in water related assets in Asia 	
	<ul style="list-style-type: none"> Chubb Limited (resigned on 19 July 2016) 	<ul style="list-style-type: none"> Provision of global multiline insurance services 	
	<ul style="list-style-type: none"> Consobiz Ventures Sdn Bhd (resigned on 13 March 2015) 	<ul style="list-style-type: none"> Manufacturing and trading of disposable diapers 	
	<ul style="list-style-type: none"> Malaysian Strategic Research Centre (resigned on 29 June 2015) 	<ul style="list-style-type: none"> Non-profit organisation involved in enhancing and promoting knowledge in a number of areas, including socio-economics, education, business, politics, and security 	
	<ul style="list-style-type: none"> OMNI Petromaritime Sdn Bhd (resigned on 29 September 2012) 	<ul style="list-style-type: none"> Offshore marine services 	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Dato' Rohana Tan Sri Mahmood (Cont'd)	<ul style="list-style-type: none"> Pacific Basin Economic Council (resigned on 10 March 2017) 	<ul style="list-style-type: none"> Independent business networking group 	
	<ul style="list-style-type: none"> Tee M & E Engineering Sdn Bhd (resigned on 20 September 2013) 	<ul style="list-style-type: none"> M & E engineering & Property development 	
	<ul style="list-style-type: none"> Tee Resources Sdn Bhd (resigned 20 December 2013) 	<ul style="list-style-type: none"> Property development 	
	<ul style="list-style-type: none"> Tropicana Corporation Bhd (resigned on 9 November 2013) 	<ul style="list-style-type: none"> Investment holding and property development 	
	<ul style="list-style-type: none"> Sime Darby Energy & Utilities Sdn Bhd (resigned on 23 November 2015) 	<ul style="list-style-type: none"> Investment holding in ports and logistics, water management, trading and engineering and technical services 	
Datuk Tong Poh Keow	<i>Present directorships:</i>		
	<ul style="list-style-type: none"> BPHCL group of companies 	<ul style="list-style-type: none"> Investment holding with subsidiaries involved in property development and property investment 	<ul style="list-style-type: none"> Nil
	<ul style="list-style-type: none"> Golden Hope Plantations Berhad 	<ul style="list-style-type: none"> Dormant 	<ul style="list-style-type: none"> Nil
	<ul style="list-style-type: none"> Guthrie Ropel Berhad 	<ul style="list-style-type: none"> Dormant 	<ul style="list-style-type: none"> Nil
	<ul style="list-style-type: none"> Highlands & Lowlands Berhad 	<ul style="list-style-type: none"> Dormant 	<ul style="list-style-type: none"> Nil
	<ul style="list-style-type: none"> Kumpulan Guthrie Berhad 	<ul style="list-style-type: none"> Dormant 	<ul style="list-style-type: none"> Nil
	<ul style="list-style-type: none"> KSDB 	<ul style="list-style-type: none"> Dormant 	<ul style="list-style-type: none"> Nil
	<ul style="list-style-type: none"> SD Global Services Centre 	<ul style="list-style-type: none"> Provision of support services to group companies 	<ul style="list-style-type: none"> Nil
	<ul style="list-style-type: none"> SD Malaysia 	<ul style="list-style-type: none"> Holding of trademarks 	<ul style="list-style-type: none"> Nil

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Datuk Tong Poh Keow (Cont'd)	• SDHB	• Investment holding, marketing of and agents for commodities and provision of management services to group companies	• Nil
	• Sime Darby Eastern International Limited	• Investment holding	• Nil
	• Sime Darby Far East (1991) Limited	• Investment holding	• Nil
	• Sime Darby Holiday Homes Sdn Bhd	• Property management services and provision of childcare services to employees	• Nil
	• Sime Darby Hong Kong Limited	• Investment holding	• Nil
	• Sime Darby Industrial Holding Sdn Bhd	• Investment holding	• Nil
	• Sime Darby Logistics Sdn Bhd (formerly known as Sime Darby Utilities Sdn Bhd)	• Investment holding	• Nil
	• Sime Darby Motors Sdn Bhd	• Investment holding	• Nil
	• Sime Darby Nominees Sendirian Berhad	• Investment holding	• Nil
	• Sime Darby Overseas (HK) Limited	• Investment holding	• Nil
	• Sime UEP Properties Berhad	• Dormant	• Nil
	<i>Previous directorships:</i>		
	• Mentakab Rubber Company (Malaya) Berhad (Dissolved on 24 March 2015) (resigned on 24 March 2015)	• Dormant	
	• Ramsay Sime Darby Health Care Sdn Bhd (resigned on 18 May 2017)	• Operation of healthcare facilities and provision of related healthcare services	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Datuk Tong Poh Keow (Cont'd)	• Sime Darby Energy Sdn Bhd (resigned on 30 June 2016)	• Investment holding	
	• Sime Darby Hong Kong Finance Limited (resigned on 27 October 2014)	• Provision of intragroup financial services	
	• Sime Darby Investments Pte Ltd (Dissolved on 12 May 2015) (resigned on 12 May 2015)	• Dormant	
	• Sime Darby Singapore Limited (resigned on 25 February 2012)	• General insurance agency business	
	• Sime Engineering Services Berhad (Dissolved on 24 March 2015) (resigned on 24 March 2015)	• Dormant	
	• Tesco Stores (Malaysia) Sdn Bhd (resigned on 31 May 2017)	• Operation of hypermarkets	
	• Tractors Malaysia Holdings Berhad (Dissolved on 4 April 2017) (resigned on 4 April 2017)	• Dormant	
	• Weifang Property Limited (resigned on 11 March 2013)	• Investment holding	
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	<i>Present directorships:</i>		
	• Apex Capacity Sdn Bhd	• Property investment holding company	• Refer to Section 10.1.4 of this Prospectus
	• Apex Starfield (M) Sdn Bhd	• Property investment holding company	• Refer to Section 10.1.4 of this Prospectus
	• City Properties Sdn Bhd	• Investment in retail shopping (shopping mall-Avenue K)	• Nil

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj (Cont'd)	• Dutaland Berhad	• Investment holding in oil palm plantations, property development and property investments	• Nil
	• Global Oriental Berhad	• Property development	• Chairman of Nomination Committee
	• M.A. Development Sdn Bhd	• Property development	• Nil
	• Mycron Steel Berhad	• Investment holding in manufacturing of cold reduction milling	• Member of the Nomination and Remuneration Committee
	• TasGlobal Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Titas Holding Sdn Bhd	• Property investment holding company	• Refer to Section 10.1.4 of this Prospectus
	• Titas Realty Sdn Bhd	• Property development	• Nil
<i>Previous directorships:</i>			
	• Melewar Industrial Group Berhad (resigned on 9 December 2014)	• Property investment and investment holding	
	• Sime Darby Healthcare Sdn Bhd (resigned on 1 July 2013)	• Healthcare facilities provider	
	• Sime Darby Medical Centre Subang Jaya Sdn Bhd (resigned on 1 July 2013)	• Operation of healthcare facilities and provision of related healthcare services	
	• Wawasan TKH Holdings Berhad (resigned on 1 August 2014)	• Manufacturing	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Dato' Johan Ariffin	<i>Present directorships:</i>		
	• BPHCL group of companies	• Investment holding with subsidiaries involved in property development and property investment	• Nil
	• C180 Centerstage Sdn Bhd	• Investment holding with retail mall operations	• Refer to Section 10.1.4 of this Prospectus
	• C180 Hotel Sdn Bhd	• Hotel management	• Indirect equity interest
	• Cascades Management Services Sdn Bhd	• Dormant	• Direct equity interest of 50%
	• Cosmopolitan Ventures Sdn Bhd	• Investment holding company invests in companies carrying on property development activities	• Refer to Section 10.1.4 of this Prospectus
	• Etiqa Insurance Berhad	• Underwriting of general insurance, life insurance and investment-linked businesses	• Member of Land Oversight Committee
	• Etiqa International Holdings Sdn Bhd	• Investment holding company with its group of companies involved in insurance and takaful operations in Malaysia, Singapore and Philippines	• Nil
	• Etiqa Takaful Berhad (with effect from 1 September 2017)	• Management of general takaful, family takaful and investment-linked business	• Nil
	• Irama Sanubari Sdn Bhd	• Property investment holding company	• Refer to Section 10.1.4 of this Prospectus
	• Maybank Ageas Holdings Berhad (with effect from 1 September 2017)	• Investment holding and provision of shared services to its subsidiaries on a reimbursement basis	• Nil
	• Malayan Banking Berhad	• Commercial bank/ financial business	• Member of Audit Committee • Member of Credit Review Committee • less than 1% direct equity interest

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

<u>Director</u>	<u>Directorship</u>	<u>Principal activities</u>	<u>Involvement in business activities other than as a director</u>
Dato' Johan Ariffin (Cont'd)	• Maybank (Cambodia) Plc	• Commercial bank/ financial business	• Nil
	• Mitraland Australia Pty Ltd	• Trustee for Mitraland Australia Trust	• Indirect equity interest
	• Mitraland Australia Trust	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Mitraland Cheras Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Mitraland Development Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Mitraland Group Holdings Sdn Bhd	• Investment holding company invests in companies carrying on property development activities	• Refer to Section 10.1.4 of this Prospectus
	• Mitraland Hotel Management Sdn Bhd	• Hotel management	• Indirect equity interest
	• Mitraland Kota Damansara Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Mitraland Leisure Sdn Bhd	• Investment holding with a subsidiary operating a retail mall	• Refer to Section 10.1.4 of this Prospectus
	• Mitraland Management Services Sdn Bhd	• Management services	• Indirect equity interest
	• Mitraland Melawati Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Mitraland Properties Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Mitraland Puchong Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
• Pelaburan Hartanah Nasional Berhad	• Management of REIT Amanah Harta Tanah PNB (AHP)	• Member of Property Investment Committee	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Dato' Johan Ariffin (Cont'd)	• PNB Merdeka Ventures Sdn Bhd	• Property holding company with subsidiaries carrying on property development activities	• Member of Development Committee
	• Polar Bonanza Sdn Bhd	• Dormant	• Indirect equity interest
	• Prisma Melody Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Sagamont Avenue Sdn Bhd	• Investment holding company invests in companies carrying on property development activities	• Refer to Section 10.1.4 of this Prospectus
	• TPPT Sdn Bhd	• Property development	• Member of Audit Committee
	• Vibrantline Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	<i>Previous directorships:</i>		
	• Central Industrial Corporation Bhd (resigned on 26 May 2015)	• Manufacturer of self adhesive labels stocks and tapes	
	• Etiqa Takaful Berhad (resigned on 1 March 2016)	• Management of general takaful, family takaful and investment-linked businesses	
	• Maybank Ageas Holdings Berhad (resigned on 1 March 2016)	• Investment holding and provision of shared services to its subsidiaries on a reimbursement basis	
	• Maybank International (Labuan) Limited (resigned on 2 August 2017)	• Offshore banking	
	• Maybank International Trust (Labuan) Ltd (voluntary dissolution on 27 February 2017)	• Trust business	
Dato' Jaganath Derek Steven Sabapathy	<i>Present directorships:</i>		
	• Angkasa Kualiti Sdn Bhd	• Dormant	• Direct equity interest of 50%

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

<u>Director</u>	<u>Directorship</u>	<u>Principal activities</u>	<u>Involvement in business activities other than as a director</u>
Dato' Jaganath Derek Steven Sabapathy (Cont'd)	• AOC Wines Sdn Bhd	• Sales and distribution of wines	• Direct equity interest of 50%
	• Daiman Kapital Sdn Bhd	• Dormant	• Nil
	• Damansara Clothing Group Sdn Bhd	• Dormant	• Direct equity interest of 50%
	• Huckleberry Hospitality Group Sdn Bhd (formerly known as Dunia Emasjaya Sdn Bhd)	• Food and beverage	• Direct equity interest of 50%
	• Golden Wave Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Ho Hup Ventures (Johor) Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Ho Hup Ventures (KK) Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
	• Insight Planet Sdn Bhd	• Dormant	• Direct equity interest of 50%
	• IPW (M) Sdn Bhd	• Consulting and management services	• Nil
	• Kontour Duta Sdn Bhd	• Dormant	• Indirect equity interest
	• Mandarin Juta Sdn Bhd	• Dormant	• Direct equity interest of 50%
	• My Red Realty Sdn Bhd	• Property investment and investment holdings	• Refer to Section 10.1.4 of this Prospectus
	• Quillan Holdings Worldwide Limited	• Investment holdings in tuna processing and distribution business	• Direct equity interest of 30%
	• Satin Magic Sdn Bhd	• Property development	• Refer to Section 10.1.4 of this Prospectus
• Tribeca Capital Sdn Bhd	• Consultancy and advisory services and investment holdings	• CEO • Direct equity interest of 50%	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Dato' Jaganath Derek Steven Sabapathy (Cont'd)	• Tribeca Real Estate Asset Management Sdn Bhd	• Real estate consultancy services and investment	• CEO • Refer to Section 10.1.4 of this Prospectus
	• Wine Plus Sdn Bhd	• Food and beverage	• Indirect equity interest
	• Yamako Pacific (M) Sdn Bhd (formerly known as Gasing Odesi Sdn Bhd)	• Tuna procession and distribution	• Indirect equity interest
	<i>Previous directorships:</i>		
	• Bandar Raya Developments Berhad (resigned on 30 September 2013)	• Property development	• CEO
Datuk Dr Mohd Daud Bakar	<i>Present directorships:</i>		
	• Able Ace Raakin Amanie LLC	• Service provider for underlying assets of all Islamic based products under commodity murabahah	• Direct equity interest of 51%
	• ACA Amanie Sdn Bhd	• Islamic venture capital	• Direct equity interest of 38%
	• Amanie Academy Sdn Bhd	• Training and education	• Direct equity interest of 80%
	• Amanie Advisors LLC	• Islamic finance consultancy and advisory	• Direct equity interest of 100%
	• Amanie Advisors Sdn Bhd	• Islamic finance advisory and consultancy	• Direct equity interest of 90%
	• Amanie Arabia Sdn Bhd	• Offshore investment and trading activities	• Indirect equity interest
	• Amanie Associates Sdn Bhd	• Advisory firm	• Direct equity interest of 50%
	• Amanie Holdings Limited	• Investment and trading into other private companies	• Direct equity interest of 100%
	• Amanie International Consulting Sdn Bhd	• Corporate consultancy and advisory	• Direct equity interest of 50%
• Amanie Liquidity Corporation	• Offer Islamic liquidity products for Islamic markets	• Indirect equity interest	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Datuk Dr Mohd Daud Bakar (Cont'd)	• Amanie Media Sdn Bhd	• Media and publications	• Nil
	• Amanie Nexus Sdn Bhd	• IT consultancy services	• Direct equity interest of 85%
	• Amanie Screening Solutions Sdn Bhd	• Research development, consultancy and automation advisory related to information services on corporate funds and product structures	• Indirect equity interest
	• CERT Publications Sdn Bhd	• Printing publications	• Nil
	• Energy Resources Group (L) Bhd	• Offshore investment and trading activities	• Direct equity interest of 33.33%
	• Expert Analytic Centre (M) Sdn Bhd	• IT business (big data)	• Nil
	• IRushd Solutions Sdn Bhd	• Dormant	• Direct equity interest of 50%
	• Rooshd Solutions Sdn Bhd	• Debt collection	• Direct equity interest of less than 1% and indirect equity interest
	<i>Previous directorships:</i>		
	• Amanie Advisors Pty Ltd (resigned on 29 June 2016)	• Islamic finance consultancy and advisory	
	• Amanie Global Technology Sdn Bhd (resigned on 30 May 2017)	• IT Business	
	• Amanie Iskandar Associates Sdn Bhd (resigned on 15 May 2017)	• Dormant	
	• AUSMAL Synergy Ltd (resigned on 20 September 2016)	• Offshore investment and trading activities	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Directorship	Principal activities	Involvement in business activities other than as a director
Dato' Seri Ahmad Johan Mohammad Raslan	<i>Present directorships:</i>		
	• AMMB Holdings Berhad	• Banking and financial institution	• Member of Group Information Technology Committee
	• Eco World International Berhad	• Investment holding company with subsidiaries and joint ventures involved in property development in international markets outside Malaysia	• Member of Governance Committee
	• Prima Ekuiti (UK) Limited	• Provision of investment management services	• Chairman of Audit Committee
	• QPR Holdings Ltd	• Professional football club	• Nil
	<i>Previous directorship:</i>		
	• Nil		
Datin Norazah Mohamed Razali	<i>Present directorships:</i>		
	• MCG Sdn Bhd	• Provision of management consultancy services	• Nil
	• Cradle Fund Sdn Bhd (with effect from 13 September 2017)	• Provision of early stage funding to innovative and aspiring entrepreneurs	• Nil
	<i>Previous directorships:</i>		
	• Rembang Sepakat Sdn Bhd	• Property investment	
	• BCG, Inc	• Provision of management consultancy services	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

10.1.4 Involvement of our Directors in other businesses or corporations which carry on a similar trade as that of our Group or which are our customers and/or suppliers

Save as disclosed below, as at the LPD, none of our Directors have any interest, direct or indirect, in other businesses or corporations which are (i) carrying on a similar trade as that of our Group; or (ii) our customers and/or suppliers:

Director	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding	
				Direct	Indirect
Tan Sri Abdul Wahid Omar	<i>Similar trade as that of our Group</i>				
	I & P Group Sdn Berhad	Investment holding and provision of management services to the subsidiaries which are principally involved in property development activities	Non-Executive Chairman	-	-
	Petaling Garden Sdn Bhd	Property development and investment holding	Non-Executive Chairman	-	-
	PNB	Investment holding and providing management consultancy services with investment in companies carrying on property development, property investment and hospitality and leisure activities	Non-Executive Group Chairman	-	-
	PNB Commercial Sdn Bhd	Investment holding with subsidiaries which are principally involved in property investment, hotel operations, operation of golf course and property management services	Non-Executive Chairman	-	-
	PNB Jersey Limited	Investment holding company with subsidiaries which are principally involved in property investment activities	Non-Executive Chairman	-	-
	PNB Management Services Sdn Berhad	Provision of management services to training centres, holiday resorts and service apartments	Non-Executive Chairman	-	-
PNB Merdeka Ventures Sdn Berhad	Property holding company with subsidiaries carrying on property development activities	Non-Executive Chairman	-	-	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding	
				Direct	Indirect
Tan Sri Abdul Wahid Omar (Cont'd)	Syarikat Perumahan Pegawai Kerajaan Sdn Bhd	Property development and sells land, residential and commercial properties and rental of properties	Non-Executive Chairman	-	-
	Yayasan Pelaburan Bumiputra	Involved in receiving and administering funds for the purpose of promoting greater ownership of share capital in the corporate sector in Malaysia Bumiputeras with subsidiaries investing in companies carrying on property development, property investment and hospitality and leisure activities	Member of the Board of Trustee	-	-
	Yayasan Sultan Ibrahim Johor	Development housing schemes in Johor	Non-Executive Director	-	-
Dato' Rohana Tan Sri Mahmood	Similar trade as that of our Group				
	Paramount Corporation Berhad	Investment holding with 2 core businesses in property development and education services and provision of management services	Non-Executive Director	-	-
Dato' Sri Amrin Awaluddin	Similar trade as that of our Group				
	BPHCL group of companies	Investment holding with subsidiaries involved in property development and property investment	Non-Executive Director	-	-
	PJ Midtown Development Sdn Bhd	Property development	Non-Executive Director	-	-
	Sime Darby CapitaLand (Melawati Mall) Sdn Bhd	Property investment	Non-Executive Director	-	-
	Sime Darby Sunrise Development Sdn Bhd	Property development	Non-Executive Director	-	-

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding	
				Direct	Indirect
Datuk Tong Poh Keow	Similar trade as that of our Group				
	BPHCL group of companies	Investment holding with subsidiaries involved in property development and property investment	Alternate Non- Executive Director	-	-
	Customers and/or suppliers				
	SDHB	Investment holding, marketing of and agents for commodities and provision of management services to group companies	Executive Director	-	-
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	Similar trade as that of our Group				
	Apex Capacity Sdn Bhd	Property investment holding company	Non-Executive Director	0.01	-
	Apex Starfield (M) Sdn Bhd	Property investment holding company	Non-Executive Director	20	-
	City Properties Sdn Bhd	Investment in retail shopping (shopping mall - Avenue K)	Non-Executive Director	-	-
	Dutaland Berhad	Investment holding in oil palm plantations, property development and property investments	Non-Executive Chairman	-	-
	Global Oriental Berhad	Property development	Non-Executive Chairman Chairman of Nomination Committee	-	-
	M.A. Development Sdn Bhd	Property development	Non-Executive Director	-	-
	TasGlobal Sdn Bhd	Property development	Non-Executive Director	60	-
	Titas Holding Sdn Bhd	Property investment holding company	Executive Chairman	75	-
Titas Realty Sdn Bhd	Property development	Non-Executive Director	-	-	
Dato' Johan Ariffin	Similar trade as that of our Group				
	C180 Centerstage Sdn Bhd	Investment holding with retail mall operations	Non-Executive Director	-	75

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding	
				Direct	Indirect
Dato' Johan Ariffin (Cont'd)	Battersea Project Holding Company Limited group of companies	Investment holding with subsidiaries involved in property development and property investment	Non-Executive Chairman	-	-
	Cosmopolitan Ventures Sdn Bhd	Investment holding company invests in companies carrying on property development activities	Managing Director	51	-
	Irama Sanubari Sdn Bhd	Property investment holding company	Executive Director	55	-
	Mitraland Australia Trust	Property development	Non-Executive Director	-	100
	Mitraland Cheras Sdn Bhd	Property development	Non-Executive Director	-	30
	Mitraland Development Sdn Bhd	Property development	Non-Executive Director	-	30
	Mitraland Group Holdings Sdn Bhd	Investment holding company invests in companies carrying on property development activities	Non-Executive Director	-	30
	Mitraland Kota Damansara Sdn Bhd	Property development	Non-Executive Director	-	30
	Mitraland Leisure Sdn Bhd	Investment holding with a subsidiary operating a retail mall	Non-Executive Director	-	100
	Mitraland Melawati Sdn Bhd	Property development	Non-Executive Director	-	28.5
	Mitraland Properties Sdn Bhd	Property development	Non-Executive Director	-	15
	Mitraland Puchong Sdn Bhd	Property development	Non-Executive Director	-	100
	PNB Merdeka Ventures Sdn Bhd	Property holding company with subsidiaries carrying on property development activities	Non-Executive Director Member of Development Committee	-	-
Prisma Melody Sdn Bhd	Property development	Non-Executive Director	-	100	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Director	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding	
				Direct	Indirect
Dato' Johan Ariffin (Cont'd)	Sagamont Avenue Sdn Bhd	Investment holding company invests in companies carrying on property development activities	Non-Executive Director	-	30
	TPPT Sdn Bhd	Property development	Non-Executive Director Member of Audit Committee	-	-
	Vibrantline Sdn Bhd	Property development	Non-Executive Director	-	100
Dato' Jaganath Derek Steven Sabapathy	Similar trade as that of our Group				
	Golden Wave Sdn Bhd	Property development	Non-Executive Director	-	70
	Ho Hup Ventures (Johor) Sdn Bhd	Property development	Non-Executive Director	-	25
	Ho Hup Ventures (KK) Sdn Bhd	Property development	Non-Executive Director	-	25
	Satin Magic Sdn Bhd	Property development	Executive Director	-	35
	Tribeca Real Estate Asset Management Sdn Bhd	Real estate consultancy services and investment	CEO	79	-
Dato' Seri Ahmad Johan Mohammad Raslan	My Red Realty Sdn Bhd	Property investment and investment holdings	Non-Executive Director	50	-
	Similar trade as that of our Group				
	Eco World International Berhad	Investment holding company with subsidiaries and joint ventures involved in property development in international markets outside Malaysia	Non-Executive Director Chairman of Audit Committee	-	-

Our Directors are of the view that involvement of and/or interests held by the abovementioned Directors in other businesses or corporations which carry on similar trade as that of our Group and/or which are our customers and/or suppliers, do not give rise to any conflict of interest situation with the business currently held and pursued by our Group as those companies do not compete directly with our Group after taking into consideration the size and scale of operations of those companies as compared to the size and scale of operations of our Group.

On matters or transactions requiring the approval of our Board, a Director who is deemed interested or conflicted in such matters will be required to declare his interest and abstain from deliberations and voting on the resolutions relating to these matters or transactions.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

10.1.5 GAC

Our GAC was established by our Board on 29 February 2016. Our GAC currently comprises the following members, of which are all Independent Non-Executive Directors:

Name	Designation	Directorship
Dato' Seri Ahmad Johan Mohammad Raslan	Chairman	Independent Non-Executive Director
Dato' Rohana Tan Sri Mahmood	Member	Senior Independent Non- Executive Director
Dato' Jaganath Derek Steven Sabapathy	Member	Independent Non-Executive Director
Datin Norazah Mohamed Razali	Member	Independent Non-Executive Director

The duties and functions of our GAC comprise, among others, the following:

(i) **Financial reporting and performance oversight**

- (a) Review the quarterly and annual financial statements of our Group with management and the external auditors focusing on the matters set out below, prior to approval by our Board:
- any change in accounting policies and practices, and its implementation;
 - significant adjustments arising from the audit;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
 - the going concern assumption; and
 - compliance with accounting standards and regulatory requirements.

(ii) **Oversight of Group Corporate Assurance Department ("GCAD") and Group Compliance Office ("GCO"), and environmental control**

- (a) Oversee the effectiveness of the internal controls framework.
- (b) Review and approve the GCAD audit plan and budget, risk assessment and audit methodology.
- (c) Review the adequacy of internal audit scope, audit programmes, functions, competency and resources of GCAD and GCO, and ensure they are able to undertake their activities independently and objectively, and that they have the necessary authority to carry out their work.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

- (d) Review the internal audit reports, discuss major findings and management's responses, and ensure appropriate action is taken on the recommendations of GCAD and GCO.
- (e) Assess and review the performance and effectiveness of the Heads of GCAD and GCO.

(iii) Governance oversight

Drive the code of conduct and ethics programme across our Group and monitor the progress of implementation.

(iv) Dealings with external auditors

- (a) Recommend to the Board the appointment of the external auditor and the audit fee, and any resignation or dismissal of the external auditor.
- (b) Assess and monitor the performance, suitability, objectivity and independence of the external auditor annually.
- (c) Discuss the following with the external auditor prior to commencement of the audit:
 - any change in accounting policies and practices, and its implementation;
 - the nature and scope of the audit;
 - the audit plan;
 - evaluation of the system of internal controls; and
 - the audit reports.

(v) Related party transactions

- (a) Ensure that management establishes a comprehensive framework for the purposes of identifying, evaluating, approving, reporting and monitoring conflict of interest situations and related party transactions.
- (b) Review and report to our Board any related party transactions entered into by our Group.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

10.1.6 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee ("**NRC**") was established by our Board on 12 July 2017. Our NRC currently comprises the following members, of which a majority of them are Independent Non-Executive Directors:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Dato' Rohana Tan Sri Mahmood	Chairman	Senior Independent Non-Executive Director
Dato' Johan Ariffin	Member	Independent Non-Executive Director
Datuk Dr Mohd Daud Bakar	Member	Non-Independent Non-Executive Director
Dato' Seri Ahmad Johan Mohammad Raslan	Member	Independent Non-Executive Director

Our NRC undertakes, among others, the following functions:

(i) Nomination functions and duties

(a) Assessment of board composition

- Establish a policy formalising our Group's approach to boardroom diversity.
- Annually evaluate, review and recommend to our Board the appropriate size of our Board, required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors shall bring to our Board to ensure that they are in line with our Group's requirements.
- Consider and recommend any policy regarding the period of service of Non-Executive Directors, tenure of Independent Directors and the term of office of Board Committee members, including the Chairmen of Board Committees.

(b) Appointments

- Consider and recommend to our Board the selection criteria for new appointment as Directors of our Group.
- Consider and recommend to our Board the composition of our Board which must comprise a majority of Independent Directors.
- Consider the need to appoint a Senior Independent Non-Executive Director, and if deemed appropriate, recommend to our Board for approval.
- Review and recommend to our Board the appointment, evaluation, resignation, disciplinary actions and termination of the managing director position.
- Review and if deemed appropriate, endorse for our Board's approval, the recommendations of the managing director on the

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

appointment, evaluation, promotion, resignation, disciplinary actions and termination of the senior personnel of our Group.

- Ensure that appointments of senior personnel are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

(c) Retirement and re-election

- Ensure that every Director, including the Executive Directors, shall be subject to retirement at least once every 3 years. A retiring Director shall be eligible for re-election.
- Recommend to our Board, candidates for re-election of Directors by shareholders.

(d) Succession planning

- Oversee succession planning for our Board Chairman and Directors.
- Oversee that an appropriate succession planning framework, talent management and human capital development programme is in place for the position of the managing director and senior personnel.

(e) Annual performance assessment

- Assist our Board in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and each Board Committee (including its size and composition), as well as the contribution of each individual Director.
- Develop, maintain and review the criteria for evaluating our Board's, and Board Committees' and each individual Director's performance.
- Conduct a Board evaluation which is periodically facilitated by a professional, experienced and independent party.

(f) Training and Development

- Recommend suitable orientation and training programmes to continuously train and equip new and existing Directors.

(ii) Remuneration functions and duties

- (a) Review and recommend to our Board a formal and transparent remuneration policy and framework for Directors and senior personnel of our Group.
- (b) Review and if deemed appropriate, endorse for our Board's approval, the annual bonus and salary increment framework for our Group, including the total quantum of payment.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

- (c) Review and recommend to our Board the terms and conditions of service, remuneration, compensation and benefits package (including bonus and salary increment) of the Managing Director position.
- (d) Review and if deemed appropriate, endorse for our Board's approval, the recommendations of the Managing Director on the terms and conditions of service, remuneration, compensation and benefits package (including bonus and salary increment) of the senior personnel.

(iii) Disclosure and reporting

- (a) Ensure that a statement on the committee's activities in the discharge of its nomination duties for the financial year is included in our Company's annual report.
- (b) Ensure detailed disclosure on named basis for the remuneration of individual Directors.

10.1.7 Risk Management Committee

Our Risk Management Committee was established by our Board on 12 July 2017. Our Risk Management Committee currently comprises the following members, of which a majority of them are Independent Non-Executive Directors:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Dato' Jaganath Derek Steven Sabapathy	Chairman	Independent Non-Executive Director
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	Member	Independent Non-Executive Director
Dato' Johan Ariffin	Member	Independent Non-Executive Director
Datuk Dr Mohd Daud Bakar	Member	Non-Independent Non-Executive Director

Our Risk Management Committee undertakes, among others, the following functions:

- (i) oversee our Group's risk management process;
- (ii) evaluate new risks identified by Group Risk Management ("GRM") including the likelihood of the emerging risks happening in the future and consider the need to put in place the appropriate controls;
- (iii) review and recommend our Group's level of risk tolerance and actively identify, assess and monitor key business risks;
- (iv) establish and periodically review our Group's risk management guidelines and policies and ensure implementation of the objectives outlined in the policies and compliance with them;
- (v) recommend for our Board's approval our Group's risk management framework, policies, strategies, key risk indicators and risk tolerance levels, and any proposed changes thereto; and

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

- (vi) evaluate the effectiveness of the GRM's structure, risk management processes and support system to identify, assess, monitor and manage our Group's key risks.

10.1.8 Service contract with our Directors

As at the date of this Prospectus, there is no existing or proposed service contract between our Directors and us that provides for benefits payable on termination of employment.

10.1.9 Remuneration and material benefits of our Directors

The aggregate remuneration and material benefits paid and proposed to be paid to our Directors for their services rendered to our Group in all capacities for the FYE 30 June 2017 and estimated for the FYE 30 June 2018 respectively, are as follows:

Director	Remuneration band	
	For the FYE 30 June 2017 (Actual)	For the FYE 30 June 2018 (Estimate)
Tan Sri Abdul Wahid Omar	-	RM500,001 - RM550,000
Dato' Sri Amrin Awaluddin	-	RM2,900,000 - RM2,950,000
Dato' Rohana Tan Sri Mahmood	RM100,001 - RM150,000	RM350,001 - RM400,000
Datuk Tong Poh Keow	RM90,001 - RM140,000	RM2,100,000 - RM2,150,000
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	RM100,001 - RM150,000	RM300,001 - RM350,000
Dato' Johan Ariffin	RM210,001 - RM260,000	RM300,001 - RM350,000
Dato' Jaganath Derek Steven Sabapathy	RM100,001 - RM150,000	RM350,001 - RM400,000
Datuk Dr Mohd Daud Bakar	-	RM350,001 - RM400,000
Dato' Seri Ahmad Johan Mohammad Raslan	-	RM400,001 - RM450,000
Datin Norazah Mohamed Razali	-	RM300,001 - RM350,000

The remuneration of our Directors, which includes salaries, Directors' fees, bonuses and such other allowances as well as benefits, must be considered and recommended by our NRC and subsequently approved by our Board. Our Directors' fees and benefits payable must be further approved/endorsed by our shareholders at a general meeting.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

10.2 KEY MANAGEMENT

The members of our key management as at the date of our Listing are set out below:

Name	Nationality	Age	Designation
Dato' Sri Amrin Awaluddin	Malaysian	51	Managing Director
Datuk Tong Poh Keow	Malaysian	63	CFO
Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri	Malaysian	59	Chief Operating/ Transformation Officer
Dr. Tan Kok Heng	Singaporean	54	CEO of SD Real Estate Management and Head, Property Investment
Zaharudin bin Sa'at	Malaysian	55	Senior General Manager, Township Development
Chong Chee On	Malaysian	57	Senior General Manager, Development Services

The management and operations of our Group is led by Dato' Sri Amrin Awaluddin, our Managing Director.

10.2.1 Profiles of our key management

For the profile of Dato' Sri Amrin Awaluddin and Datuk Tong Poh Keow, please refer to Section 10.1.1 of this Prospectus.

- (i) **Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri**, a Malaysian aged 59, is our Chief Operating/ Transformation Officer. He graduated with a Bachelor of Science in Civil Engineering from Kingston University, United Kingdom in 1984.

Upon graduating in 1984, he joined the Jabatan Kerja Raya's ("JKR") Research and Training Institute in Bangi as a Geotechnical Research Engineer where he was primarily responsible for running the central soils testing laboratory, research in slope stability and overseeing of road works for JKR. He left JKR to join Pengurusan Lebuhraya Berhad ("**Pengurusan Lebuhraya**") in 1989 as Geotechnical Engineer where he was responsible for site investigation contracts involving development, tender management and auditing of geotechnical design. He was later promoted to Regional Geotechnical Engineer in 1991 and was responsible for the provision of technical support to the construction management division. During his employment in Pengurusan Lebuhraya, he was involved in the implementation of geotechnical designs on the construction of the North South Highway from Sungai Petani to Changkat Jering and became the in-house expert on vertical drains, design & implementation in soft clay - a method of foundation design that was instrumental in enabling the North South Highway to be delivered 15 months ahead of schedule. He published two papers on the performance of vertical drains in soft marine clay, which are the "Vertical Drain Embankment Trial at Sg. Juru" in 1990 and "Vertical Drain Trail at Juru, Malaysia: Performance during Construction" in 1991.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri subsequently moved to Island & Peninsular (I&P) Berhad ("**I&P**") in 1992 as Project Manager and was responsible for the research and development, auditing of the earthworks and infrastructure design for all I&P projects. During his tenure, he delivered 150 residential units in Bandar Kinrara with "zero" defects. He was promoted to Senior Project Manager in 1993 to head the Implementation Section, Kuala Lumpur (KL) and was responsible for planning, organising, directing and controlling the section's resources to achieve the division profit targets and the corporate's objectives to be the leading developer.

In 1995, Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri left I&P and joined General Lumber Constructions Sdn Bhd as its General Manager, where he managed the company's overall business strategies and objectives and subsequently joined Irat Management Services Sdn Bhd ("**Irat Management**") as Executive Director in 1996. During his tenure in Irat Management, he was responsible for project management services and construction of a 5 star boutique hotel, 16 storey office complex, Perbadanan Kemajuan Kraftangan Malaysia complex with total development cost of RM 450 million..

Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri subsequently joined Putrajaya Homes Sdn Bhd ("**Putrajaya Homes**") and took up the role as Director cum General Manager in 1999. He was responsible for developing Precinct 10 in Putrajaya, which included among others, the Seri Perdana complex, bungalow units, semi-detached homes and high-end apartments. He later joined the Property Development Division of Putrajaya Homes as General Manager in 2000, managing the property developments and construction projects undertaken by the company. He was subsequently promoted as the Chief Operating Officer of Putrajaya Homes in May 2005.

Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri joined Negara Properties (M) Berhad ("**NPMB**") in 2005 as its CEO. He was accountable for providing long term and short term strategic business direction of NPMB group of companies. He managed to turn around NPMB from a loss position of RM20 million back into making profits within a year.

He left NPMB to join our Company in 2008 as Senior Vice President II of our Property Development Operations, where he was responsible for our property development in Malaysia. In 2011, Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri was re-designated as the Head of Property Development Operations 1 and was assigned to our Development Services Department of Property Division in 2012 as Head of Property Development Services. He was later appointed as the Head of Property Investment and Asset Management, to drive the overall businesses performance of property investment, asset management, hospitality and leisure and project management function in 2014 and was subsequently appointed as Senior Vice President of Property Investment and Asset Management of our Company in 2014. In 2016, he was appointed as our Chief Operating Officer. During his 9 years tenure of employment in our Company, he oversaw more than 15 numbers of township development, integrated development and joint venture projects, project management services department, development services department and sales and marketing department. He was appointed as Vice President for REHDA and Chairman for REHDA Kuala Lumpur in 2015.

Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri was re-designated as the Chief Operating/ Transformation Officer of our Company in April 2017 to lead the transformation agenda of our Company.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

- (ii) **Dr. Tan Kok Heng**, a Singaporean aged 54, is the CEO of SD Real Estate Management with additional portfolio as our Head, Property Investment. He graduated with a Bachelor of Science (Honours) in Estate Management from the National University of Singapore in 1989, a Graduate Diploma in Financial Management from the Singapore Institute of Management in 1993, Masters in International Business from Curtin University of Technology in Australia in 1999 and a Professional Doctorate from Central Queensland University in Australia in 2005.

Dr. Tan Kok Heng started his career in 1989 with Jurong Town Corporation ("**Jurong Town**"), a Singapore state owned real estate company and statutory board of the Government of Singapore, as a Marketing Officer where he was primarily responsible for formulating and implementing marketing strategy, real estate development and management plans as well as pricing strategy for the properties developed by the corporation. During his tenure in Jurong Town, he has successfully attracted a Japanese multinational corporation to set up its precision operations and research and development operations in Singapore, which both are its first operations outside Japan.

In 1991, he joined the private sector with Knight Frank Pte Ltd ("**Knight Frank**"), a leading global property consultancy firm, as an Assistant Leasing Manager overseeing the conceptualisation and leasing of a 25 storey intelligent office building and two blocks of high-tech intelligent industrial building. He was instrumental in securing a major computer multinational company to set up its regional headquarters for Asia in the facility.

He left Knight Frank and joined Singapore Pacific Management Services ("**Singapore Pacific**") as a Marketing Manager in 1993, where he was based in China for the management company, formed through a joint venture between Salim Group of Indonesia, Jurong Town Corporation International, Singapore Technologies, Singapore Land, United Industrial Corporation and United Overseas Land, to undertake development, design, property management and marketing of a 5,000 hectare industrial township in China.

In 1994, he left Singapore Pacific to join Metro China Holdings Pte Ltd ("**Metro China**") based in China, a wholly-owned subsidiary of the listed company Metro Holdings Limited, which has property development projects in China and Malaysia in addition to Singapore, as an Assistant Director of Marketing where he was responsible for the marketing strategy formulation, product definition and pricing policy of its marketing projects.

After leaving Metro China in 1996, he returned to Singapore and worked with Jurong Town Corporation International Pte Ltd ("**JTC International**"), as Senior Vice President. In this regional role, he was in charge of industrial and technology park projects in Philippines, Thailand, China, Indonesia, India and Vietnam. Thereafter, in 2000, he left JTC International and joined EQUIS (ASIA) Pte Ltd ("**EQUIS**"), a leading Chicago headquartered property consultancy firm where he oversaw the corporate advisory real estate, project management, marketing and financial consulting operations in Asia, including Japan and Australia, as its Managing Director. He was instrumental in setting up its operations in China and India.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

He left EQUIS in 2002 and joined United Premas Limited based in Singapore, a wholly-owned subsidiary of an Australian public listed company with an annual turnover of AUD2.1 billion (United Premas Limited was formerly a member of CapitaLand Limited group of companies before it was divested by CapitaLand Limited), as its Managing Director of the Corporate Marketing and Business Development Division where he was mainly responsible for the corporate marketing and business development of the facility management services of the company.

His last position before joining our Company was the Executive Director of Colliers International in 2008, where he was primarily responsible for streamlining the organisation's processes and procedures and growing its asset management business.

In 2011, he left Colliers International and joined us as the Head, Strategy and Asset Management, where he developed the division's strategy blueprint and strategic plan for asset management. He was subsequently appointed as our Head, Property Investment/Hospitality in August 2011, where he was instrumental in driving the property investment and hospitality function by developing and executing short-term and long-term plans with the objective of increasing turnover and profit before interest and tax and was later promoted as our Chief Investment and Marketing Officer in 2012.

Subsequently in 2013, he was assigned to drive the strategic marketing function by developing and executing the short-term and long-term plans to enhance brand value and increase customer base for property development in his capacity as Head, Global Marketing and Investment.

He took a sabbatical break after he left our Company in 2014 before he re-joined us in 2015 as Global Advisor. In this role, he was responsible in setting up the Real Estate Investment Trust ("REIT") business and asset monetisation strategy in January 2015.

He was subsequently appointed as the CEO of SD Real Estate Management for its real estate fund management business in February 2016 and was assigned additional responsibilities as our Head, Property Investment and Asset Management in July 2016. He was instrumental in driving the overall business performance of property investment, asset management, REIT and hospitality to ensure long-term growth of the businesses. One of the notable projects undertaken was the establishment of Sime Darby Real Estate Investment Trust I to monetise our Group's real estate assets as well as to grow our recurring and overseas income. He was later re-designated as our Head, Property Investment in June 2017 when the facilities management operations of our Company were divested in May 2017.

- (iii) **Zaharudin bin Sa'at**, a Malaysian aged 55, is our Senior General Manager, Township Development. He graduated with a Bachelor of Science in Civil Engineering from Hanyang University Seoul, Korea in 1989.

Upon graduation in 1989, he joined Sime Darby Hyundai Woods Industry Sdn Bhd as a Production Manager where he was primarily in charge of the estimation and purchase of raw materials as well as production planning for door, panel line and chairlines. He left Sime Hyundai Woods Industry Sdn Bhd to join Sime Rengo Packaging Sdn Bhd as Factory Manager in 1991. In that role, he was responsible in managing the production floor, delivery and quality of the product, production of floor maintenance and waste management system.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

In 2004, Zaharudin bin Sa'at joined our Company as Head of Township. During his tenure here until December 2011, he was posted to different townships such as Ara Damansara, Putra Heights and Denai Alam. He was primarily responsible for developing strategies and achieving the key performance indicators (KPI) for township operations including to ensure Revenue Growth of 10% every year. One of his major achievements was leading Putra Height in being named the Best Township for 2007/2008 Financial Year.

He left our Company to join Mass Rapid Transit (MRT) Corporation Sdn Bhd as General Manager, Property Development in 2012. He initiated and led the business process development for product, service quality and delivery. He was part of the development of the MRT Line 1 & Line 2 Master Development Plan with the potential GDV of RM 3.2 billion and RM 26 billion, respectively.

In 2015, Zaharudin bin Sa'at left MRT Corporation Sdn Bhd and returned to our Company as Head, Region 2 – Property Malaysia. He was subsequently re-designated as Head, Township Development 2015. Subsequently, he was re-designated as Senior General Manager, Township Development in June 2017. In this role, he was accountable to lead the township operations under Township Development in meeting the overall business objectives of our Company. One of his notable projects undertook was leading the innovation initiative for all our Rumah Selangorku (RSKU) from a loss of RM 2 billion to a profitable development of RM 1.4 billion.

- (vi) **Chong Chee On**, a Malaysian aged 57, is our Senior General Manager, Development Services. He graduated with a Bachelor of Urban and Regional Planning from Universiti Teknologi Malaysia, Kuala Lumpur in 1985. He has also attended the Senior Management Development Programme, Harvard Business School in 2002 and Advanced Business Management Programme, IMD in 2012.

Upon graduating in 1985, he joined a property consultancy company, Debenham Tewson Tharmalingam & Majid Sdn Bhd as Research and Information Executive where he was primarily responsible for handling the market research and sales and marketing of properties. He left Debenham Tewson Tharmalingam & Majid Sdn Bhd in 1988 to join UEP Development Sdn Bhd as Sales Manager where he was responsible in managing the sales function of all products launched by the company. Chong Chee On has since advanced and progressed in his career with our Group for over 29 years.

In 1990, he was promoted to Senior Manager - Sales of Sime UEP Development Sdn Bhd (formerly known as UEP Development Sdn Bhd) and he was subsequently appointed as Assistant General Manager – Sales of Sime UEP Properties Berhad in 1993 heading the Sales and Marketing Department where he was accountable in managing the marketing and sales function of the company. In 1994, he was appointed as General Manager, Consumer and Public Affairs of Sime UEP Properties Berhad and took charge of managing the marketing and sales function as well as public affairs/communications of the company, dealing with the media, customers, authorities, and business partners. In 2001, he was re-designated as General Manager – Consumer & Communications for Sime UEP Development Sdn Bhd.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Chong Chee On was transferred to SDB Group in 2005 and took up the role as General Manager – Sales & Marketing. He was part of a team tasked to set-up a new business unit i.e. "Group Property", whereby he was in-charge of property development and property & facilities management of all properties owned by SDB. In 2006, he was appointed as the General Manager of a newly formed joint-venture company known as Sime UEP Brunfield Properties Sdn Bhd on a secondment basis. During his secondment, his primary responsibility was to manage the overall development of joint venture projects in Subang Jaya, Ara Damansara, Petaling Jaya and Kuala Lumpur.

After the merger of Sime Darby in 2007, Chong Chee On joined the Strategic Investment & International Business Department as Vice President 1, Strategic Investment – Property Division where he was accountable in managing strategic developments and joint venture projects. He was also part of the development team in managing property developments located in Singapore, Australia and China. In 2010, he was subsequently seconded to our Company and re-designated as Head, Strategic Investment 1.

He was transferred and re-designated as Head, Projects – Subang Jaya City Centre (SJCC)/Taipan City in October 2011. In this capacity, he was primarily responsible to resolve all land matter issues with external stakeholders mainly Syarikat Prasarana Negara Berhad (SPNB), Tenaga Nasional Berhad (TNB), Keretapi Tanah Melayu Berhad (KTMB) and Indah Water Konsortium (IWK) which were to remove all the encumbrances on the SJCC land for the proposed TOD.

Chong Chee On was subsequently appointed as Acting Head, Development Operations 1 in 2012 and thereafter he was promoted to Head, Development Operations 1 in July 2013. He was accountable in managing the operations of a total of 10 ongoing and future township developments located at the central region of Klang Valley, Malaysia. He was re-designated as the Head, Region 1 in September 2014 and was later re-designated as a Senior Vice President, Development Services of our Company in 2015. Chong Chee On was re-designated as Senior General Manager, Development Services of our Company in June 2017 to lead the Land Planning & Management, Land Administration, Product Development & Innovation and Main Infrastructure & Landscape day to day operational matters.

10.2.2 Shareholdings of our key management

As at the LPD, SDB owns all of our issued Shares. Based on the shareholdings of our key management in SDB as at the LPD, the direct and indirect shareholdings of our key management in our Company after the Pre-Listing Restructuring are as follows:

Key management	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Tong Poh Keow	32,000	-(1)	-	-

Note:

(1) Negligible

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

10.2.3 Involvement of our key management in other principal business activities outside our Group

Save as disclosed below and in Section 10.1.3 of this Prospectus, as at the LPD, none of our key management is involved in other principal business activities outside our Group:

<u>Director</u>	<u>Directorship</u>	<u>Principal activities</u>	<u>Involvement in business activities other than as a director</u>
Dato' Wan Hashimi Albakri Bin Wan Ahmad Amin Jaffri	• Cyberview Sdn Bhd	• Property Development and Property Investment	• Nil
	• Kuantan Pahang Holding Sdn Bhd	• Investment Holding	• Nil
	• Malaysia-China Kuantan Industrial Park Sdn Bhd	• Property Development	• Nil
	• Perak Corporation Berhad	• Property and Investment Holding, Real Property Development and Provision of Management Services	• Nil
	• PJ Midtown Development Sdn Bhd	• Property Development	• Nil
	• Shaw Brothers (M) Sdn Bhd	• Investment Holding	• Nil
	• Sime Darby CapitaLand (Melawati Mall) Sdn Bhd	• Property Investment	• Nil
	• Sime Darby Sunrise Development Sdn Bhd	• Property Development	• Nil
Tan Kok Heng	• Sime Darby Brunfield International Limited	• Dormant	• Nil
	• Shaw Brothers (M) Sdn Bhd	• Investment Holding	• Nil
	• Sime Darby CapitaLand (Melawati Mall) Sdn Bhd	• Property Investment	• Nil
	• Sime Darby Real Estate Investment Trust I	• Property Management and Investment Holding	• Nil
	• Aster Investment Holdings Pte Ltd	• Property Management and Investment Holding	• Nil
	• Sime Darby Property (Alexandra) Limited	• Property Investment and Management	• Nil
• Sime Darby Property (Dunearn) Pte Ltd	• Property Investment and Management	• Nil	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

<u>Director</u>	<u>Directorship</u>	<u>Principal activities</u>	<u>Involvement in business activities other than as a director</u>
Tan Kok Heng <i>(Cont'd)</i>	• Sime Darby Property (Kilang) Pte Ltd)	• Property Investment and Management	• Nil
	• Battersea Project Holding Company Limited and Group	• Investment Holding	• Nil
Chong Chee On	• Sime Darby Brunsfield International Limited	• Dormant	• Nil
	• Sime Darby CapitaLand (Melawati Mall) Sdn Bhd	• Property investment	• Nil
	• Sime Darby Sunrise Development Sdn Bhd	• Property Development	• Nil

The involvement of our Executive Directors and key management in other principal business activities outside our Group as highlighted above are not expected to affect their contributions to our Group as our Executive Directors and key management are not actively involved in the management and day-to-day operations of these businesses and/or corporations as their involvement relates to an oversight role and/or the attendance at board meetings.

10.2.4 Service contract with our key management

As at the date of this Prospectus, there is no existing or proposed service contract between our key management and us that provides for benefits payable on termination of employment.

10.3 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

10.3.1 Profile and shareholdings of the Promoter and our substantial shareholders

SDB was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 7 November 2006 under the name of Synergy Drive Sdn Bhd and is deemed registered under the Act. On 5 April 2007, SDB was converted into a public company and assumed the name of Synergy Drive Berhad. SDB assumed its present name on 27 November 2007 and was listed on the Main Market of Bursa Securities on 30 November 2007.

As at the date of this Prospectus, SDB is a diversified multinational company in Malaysia, with businesses in various sectors, namely, plantation, property, industrial equipment, motors and logistics, with operations in 25 countries and 4 territories. SDB is one of the largest companies listed on Bursa Securities and has a market capitalisation of RM62.57 billion as at the LPD.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Upon completion of the Pre-Listing Restructuring, 3 separate and independent listed entities with distinct businesses under the SDB Group will be created, with our Company and SD Plantation to undertake the property and plantation businesses of the SDB Group respectively, while SDB is to remain listed on the Main Market of Bursa Securities with the following businesses:

- (i) trading comprising motors and industrial;
- (ii) logistics; and
- (iii) other businesses comprising healthcare, insurance, retail and other investments.

As at the LPD, SDB owns all of our issued Shares. However, SDB will not hold any of our issued Shares after completion of the Pre-Listing Restructuring.

Based on the Record of Depositors of SDB as at the LPD, the direct and indirect shareholdings of our substantial shareholders in our Company (assuming that the Pre-Listing Restructuring is completed as at the LPD) are as follows:

Substantial shareholder	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
ASB	2,831,500,000	41.63	-	-
EPF	681,067,010	10.01	84,359,421	1.24
KWAP	352,183,855	5.18	27,039,018	0.40
PNB	353,397,392	5.20	-	-
Yayasan Pelaburan Bumiputra	-	-	353,397,392 ⁽¹⁾	5.20 ⁽¹⁾

Note:

- (1) Deemed interested by virtue of its interest in PNB pursuant to Section 8 of the Act.

(i) ASB

ASB is a unit trust fund constituted in Malaysia pursuant to a trust deed dated 21 October 1989, as amended by the supplemental deeds relating thereto. The management company of ASB is Amanah Saham Nasional Berhad, which is a wholly-owned subsidiary of PNB. PNB was appointed the investment manager of ASB under an investment management agreement dated 14 May 2001. AmanahRaya Trustees Berhad ("ART") was appointed the Trustee of ASB under the said trust deed.

ART was incorporated in Malaysia under the Companies Act 1965 on 23 March 2007 and is deemed registered under the Act. It was registered as a trust company under the Trust Companies Act 1949 on 7 August 2007. It was registered by the SC as an eligible trust corporation to act as trustee to unit trust schemes, corporate bonds and private retirement schemes on 6 November 2007, 29 November 2007 and 22 June 2012 respectively.

(ii) EPF

EPF is a social security institution established under the Employees Provident Fund Act 1991, which provides retirement benefits for its members through management of their savings in an efficient and reliable manner. The members of EPF are the private and non-pensionable public-sector employees.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

The principal activities of EPF are to receive and collect contributions, to meet all withdrawals of savings and other benefits to members or their beneficiaries upon satisfaction of any condition for withdrawals, and to invest the monies in the fund for the benefit of its members. EPF has investments in various asset classes namely equities, Malaysian Government Securities, loans and bonds, real estate and infrastructure.

EPF is not involved in the day-to-day management of its investee companies.

(iii) KWAP

KWAP is a body corporate established in Malaysia on 1 March 2007 under the Retirement Fund Act 2007 ("**Retirement Fund Act**") replacing the repealed Pension Trust Fund Act 1991. With the incorporation of KWAP, all powers, functions, activities, assets and liabilities of the Pension Trust Fund were taken over in totality by KWAP.

The objective of KWAP is to administer and manage the fund established under Section 13 of the Retirement Fund Act ("**Fund**") towards achieving optimum returns on its investments. The Fund shall be applied towards assisting the Federal Government in financing its pension liability.

The functions of KWAP include:

- (a) management of contributions from the Malaysian government, statutory bodies, local authorities and other agencies of Malaysia;
- (b) administration, management and investment of the Fund in equity, fixed income securities, money market instruments and other forms of investments as permitted under the Retirement Fund Act; and
- (c) management and payment of pension.

As at the LPD, the Fund stood at RM137.83 billion (at cost).

(iv) PNB

PNB was incorporated on 17 March 1978 in Malaysia as an investment holding company with a diversified portfolio of interests that include asset management, unit trusts, institutional property trusts and property management. It owns the country's largest unit trust management companies, among others, Amanah Saham Nasional Berhad and Amanah Mutual Berhad. Together with its proprietary fund, PNB currently manages more than RM260 billion worth of assets.

(v) Yayasan Pelaburan Bumiputra

Yayasan Pelaburan Bumiputra or Bumiputra Investment Foundation is a company limited by guarantee incorporated in Malaysia under the Companies Act 1965 on 9 January 1978 as a coordinating body for investment activities in the corporate sector by government agencies, Bumiputera companies and Bumiputera individuals. It was established under the guidance of a working committee backed by the Government.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

10.3.2 Changes in the Promoter's and our substantial shareholders' shareholding in our Company for the past 3 years

Prior to the Pre-Listing Restructuring, SDB owns all of our issued Shares. As such, there is no change in the Promoter's and our substantial shareholders' shareholdings in our Company for the past 3 years up to the LPD.

10.3.3 Involvement of our substantial shareholders in other businesses or corporations which carry on a similar trade as that of our Group or which are our customers and/or suppliers

Save as disclosed below, as at the LPD, none of our substantial shareholders have any interest, direct or indirect, in other businesses or corporations which are (i) carrying on a similar trade as that of our Group, or are (ii) our customers and/or suppliers.

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
ASB	<i>Similar trade as that of our Group</i>				
	Eastern & Oriental Berhad	Investment holding and provision of management services to its subsidiaries. Its subsidiaries are principally involved in property development, property investment and hospitality	Interest in shares	-	11.61
	Eco World Development Group Berhad	Property development and property investment	Interest in shares	2.24	-
	Eco World International Berhad	Investment holding company with subsidiaries and joint ventures involved in property development in international markets outside Malaysia	Interest in shares	5	-
	Gamuda Berhad	Investment holding company with its subsidiaries principally involved in property development, property investment and activities	Interest in shares	2.20	-
	Hock Seng Lee Berhad	Marine Engineering, civil engineering and construction contractor	Interest in shares	9.64	-

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
ASB (Cont'd)	I & P Group Sdn Berhad	Investment holding and provision of management services to the subsidiaries which are principally involved in property development activities	Interest in shares	45	-
	IJM Corporation Berhad	Construction, property development, manufacturing, quarrying, hotel operations and others	Interest in shares	5.85	-
	IOI Corporation Berhad	Investment holding company with its subsidiaries principally involved in oil palm, property development and others	Interest in shares	4.38	-
	IOI Properties Group Berhad	Investment holding company with its subsidiaries principally involved in property development, property investment, hotel and hospitality services	Interest in shares	4.01	-
	Mah Sing Group Berhad	Investment holding and provision of management services to its subsidiaries. Its subsidiaries are principally involved in property development, property investment, property management and manufacturing of plastic moulded products	Interest in shares	4.93	-
	S P Setia	Investment holding company with its subsidiaries principally involved in property development, construction and manufacturing, trading and investing activities	Interest in shares	25.88	-
	Sunway Construction Group Berhad	Investment holding company with its subsidiaries principally involved in construction and others	Interest in shares	0.06	-

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
ASB (Cont'd)	UOA Development Berhad	Investment holding company with its subsidiaries principally involved in property development and property investment	Interest in shares	1.57	-
	WCT Holdings Berhad	Investment holding company with its subsidiaries principally involved in property development, property investment, construction activities and provision of management services	Interest in shares	5.60	-
	Customers and/or suppliers				
	Hyundai-Sime Darby Motors Sdn Bhd	Sales and distribution of passenger and light commercial vehicles and spare parts	Interest in shares	-	41.63
	Petaling Garden Sdn Bhd	Property development and investment holding	Interest in shares	-	45
	SDHB	Investment holding, marketing of and agents for commodities and provision of management services to group companies	Interest in shares	-	41.63
EPF	Similar trade as that of our Group				
	Affordable Homes Sdn Bhd	Real estate investment holding company	Interest in shares	100	-
	Al-Aqar Healthcare REIT	Real estate investment trust that invests in hospitals and other buildings related to the health tourism industry	Interest in units	8.77	-
	Axis Real Estate Investment Trust	Real estate investment trust that owns and invests in a portfolio of commercial, office and office/retail real estate	Interest in units	12.63	-
	Bandar Eco-Setia Sdn Bhd	Real estate development company	Interest in shares	34	-

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
EPF (Cont'd)	Capitaland Malaysia Mall Trust	Real estate investment trust that invests in real estate used for retail purposes	Interest in units	9.76	-
	IGB Corporation Berhad	Investment holding and property development company. Its subsidiaries are principally involved in hotel management, project management, and provides construction services	Interest in shares	5	-
	IGB Real Estate Investment Trust	Real estate investment trust that invests in real estate	Interest in units	7.31	-
	IOI Properties Group Berhad	Investment holding company with its subsidiaries principally involved in property development, property investment, hotel and hospitality services	Interest in shares	5.68	-
	Iskandar Capital Sdn Bhd	Real estate development company	Interest in shares	29.27	-
	Iskandar Investment Berhad	Real estate development company	Interest in shares	20	-
	Jelas Puri Sdn Bhd	Real estate development company	Interest in shares	30	-
	KWASA Australia Pty Ltd	Real estate trustee company	Interest in shares	100	-
	KWASA Australia Trust	Real estate investment trust	Interest in units	100	-
	KWASA Global	Real estate investment company	Interest in shares	-	100
	KWASA Global 2 (Jersey) Limited	Real estate investment holding company	Interest in shares	100	-
	KWASA Jersey	Real estate investment holding company	Interest in shares	100	-
	KWASA Land Sdn Bhd	Real estate investment company	interest in shares	100	-
	Kwasa Logistics Sdn Bhd	Real estate investment holding company	Interest in shares	100	-

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
EPF (Cont'd)	KWASA Properties Sdn Bhd	Real estate investment company	Interest in shares	100	-
	KWASA Singapore (Duo) Pte Ltd	Real estate development	Interest in shares	100	-
	KWASA Singapore (Solo) Pte Ltd	Real estate development	Interest in shares	100	-
	KWASA Singapore (Trio) Pte Ltd	Real estate development	Interest in shares	100	-
	KWASA Utama Sdn Bhd	Real estate development and management	Interest in shares	95	-
	Mah Sing Group Berhad	Investment holding and provision of management services to its subsidiaries. Its subsidiaries are principally involved in property development, property investment, property management and manufacturing of plastic moulded products	Interest in shares	8.86	-
	Malaysia Building Society Berhad	Investment holding company with its subsidiaries principally involved in property leasing, development and hotel operations	Interest in shares	65.56	-
	Malaysian Resources Corporation Berhad	Investment holding company with its subsidiaries principally involved in property development and investment, building services, environmental engineering, infrastructures and engineering as well as construction-related activities	Interest in shares	34.73	-
MRCB-QUILL REIT	Real estate investment trust that invests in office and retail buildings, business/technology parks, data processing centers, and car parking facilities	Interest in units	7.19	-	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
EPF (Cont'd)	Naungan Sentosa Sdn Bhd	Real estate investment holding company	Interest in shares	100	-
	Nusa Gapurna Development Sdn Bhd	Investment holding and development company	Interest in shares	40	-
	Panca Pesona Sdn Bhd	Real estate development company	Interest in shares	30	-
	PPNK – Harta Sdn Bhd	Real estate development and management	Interest in shares	85	-
	RHB Banking Group Berhad	Financial services company with its subsidiaries principally involved in property investment, management, rental and leasing	Interest in shares	40.7	-
	S P Setia	Investment holding company with its subsidiaries principally involved in property development, construction and manufacturing, trading and investing activities	Interest in shares	6.53	-
	Sunway Berhad	Property development and construction company with other business divisions include quarrying and building materials, trading and manufacturing, and hospitality, leisure, and healthcare	Interest in shares	5.03	-
	Sunway South Quay Sdn bhd	Real estate development company	Interest in shares	20	-
	Sunway Real Estate Investment Trust	Real estate investment trust invests in retail, office, and hotel properties	Interest in units	13.78	-
	Taman Gunung Hijau Sdn Bhd	Real estate development and investment company	Interest in shares	10.9	-
Tanjung Wibawa Sdn Bhd	Investment holding company invests in real estate development projects	Interest in shares	100	-	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
EPF (Cont'd)	UOA Real Estate Investment Trust	Real estate investment trust invests in and owns commercial real estate and real estate related assets	Interest in units	5.42	-
	Yarra Development Holdings (Australia) Sdn Bhd	Real estate investment holding company	Interest in shares	100	-
	YTR Harta Sdn Bhd	Real estate development and management	Interest in shares	81	-
KWAP	Similar trade as that of our Group				
	Boustead Holdings Berhad	Investment holding company with its subsidiaries principally involved in plantation, property development and investments, pharmaceutical, finance and investments, trading and manufacturing and heavy industries	Interest in shares	9.11	-
	S P Setia	Investment holding company with its subsidiaries principally involved in property development, construction and manufacturing, trading and investing activities	Interest in shares	7.87	0.82
	Eastern & Oriental Berhad	Investment holding and provision of management services to its subsidiaries. Its subsidiaries are principally involved in property development, property investment and hospitality	Interest in shares	6.66	0.46
	Tambun Indah Land Berhad	Investment holding company with its subsidiaries involved in property development, property investment and construction management	Interest in shares	2.81	2.26

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
KWAP (Cont'd)	Mah Sing Group Berhad	Investment holding and provision of management services to its subsidiaries. Its subsidiaries are principally involved in property development, property investment, property management and manufacturing of plastic moulded products	Interest in shares	4.66	0.55
	Harta Integra Berkat Sdn Bhd	Property investment company	Interest in shares	100	-
	CapSquare Tower Sdn Bhd	Property investment company	Interest in shares	100	-
	KWAP Managed Investment Trust	Property investment company	Interest in units	100 ⁽¹⁾	-
	KWAP Managed Investment Trust 2	Property investment company	Interest in units	100 ⁽¹⁾	-
	KWAP Managed Investment Trust 3	Property investment company	Interest in units	100 ⁽¹⁾	-
	KWAP Managed Investment Trust 4	Property investment company	Interest in units	100 ⁽¹⁾	-
	Prima Harta (Jersey) Unit Trust	Property investment company	Interest in units	100	-
	Prima Harta 2 (Jersey) Unit Trust	Property investment company	Interest in units	100	-
	Prima Harta 3 (Lux)Sarl	Property investment company	Interest in shares	100	-
	737 Bourke Street Trust	Property investment company	Interest in units	-	100
	Bridge Street Trust	Property investment company	Interest in units	-	100
	179 Turbot Street Trust	Property investment company	Interest in units	-	100
	747 Collins Street Trust	Property investment company	Interest in units	-	100
	1 Griffin Crescent Trust	Property investment company	Interest in units	-	100
	133 Lenore Street Trust	Property investment company	Interest in units	-	100
38 Bernera Road Trust	Property investment company	Interest in units	-	100	

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
KWAP (Cont'd)	145 Lenore Drive Trust	Property investment company	Interest in units	-	100
	Prima Harta (Jersey) Limited	Property investment company	Interest in shares	-	100
	10 Gresham Street Unit Trust	Property investment company	Interest in units	-	100
	10 Gresham Street Limited Liability Partnership (LLP), London	Property investment company	Interest in units	-	100
	Prima Harta 2 (Jersey) Limited	Property investment company	Interest in shares	-	100
	Prima Retail Jersey Property Unit Trusts (JPUT)	Property investment company	Interest in units	-	100
	Metropolitan Retail Joint Venture Property Unit Trust (JVPUT)	Property investment company	Interest in units	-	80
	Prima Logistics (Lux) Sarl	Property investment company	Interest in shares	-	100
	High Bay Logistics 1 (Lux) Sarl	Property investment company	Interest in shares	-	100
	High Bay Logistics 2 (Lux) Sarl	Property investment company	Interest in shares	-	100
PNB	Similar trade as that of our Group				
	Gamuda Berhad	Investment holding company with its subsidiaries principally involved in property development, property investment and activities	Interest in shares	1.96	-
	I & P Group Sdn Berhad	Investment holding and provision of management services to the subsidiaries which are principally involved in property development activities	Interest in shares	55	-
	IJM Corporation Berhad	Construction, property development, manufacturing, quarrying, hotel operations and others	Interest in shares	2.26	-

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/Corporations	Principal activities	Nature of interest	% shareholding/unitholding	
				Direct	Indirect
PNB (Cont'd)	IOI Corporation Berhad	Investment holding company with its subsidiaries principally involved in oil palm, property development and others	Interest in shares	0.44	-
	IOI Properties Group Berhad	Investment holding company with its subsidiaries principally involved in property development, property investment, hotel and hospitality services	Interest in shares	0.30	-
	Mah Sing Group Berhad	Investment holding and provision of management services to its subsidiaries. Its subsidiaries are principally involved in property development, property investment, property management and manufacturing of plastic moulded products	Interest in shares	0.40	-
	MIDF Property Berhad	Development of industrial estates and renting of factories	Interest in shares	100	-
	Mitrajaya Holdings Berhad	Investment holding company with its subsidiaries principally involved in property development, construction and others	Interest in shares	1.95	-
	PNB Commercial Sdn Berhad	Investment holding with subsidiaries which are principally involved in property investment, hotel operations, operation of golf course and property management services	Interest in shares	100	-
	PNB Development Sdn Bhd	Investment holding with subsidiaries which are principally involved in property development, property investment and development and operations of golf resort	Interest in shares	100	-

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
PNB (Cont'd)	PNB Merdeka Ventures Sdn Berhad	Property holding company with subsidiaries carrying on property development activities	Interest in shares	100	-
	PNB Value Homes Sdn Berhad	Property development	Interest in shares	100	-
	S P Setia	Investment holding company with its subsidiaries principally involved in property development, construction and manufacturing, trading and investing activities	Interest in shares	28.06	-
	Sunway Construction Group Berhad	Investment holding company with its subsidiaries principally involved in construction and others	Interest in shares	0.81	-
	UOA Development Berhad	Investment holding company with its subsidiaries principally involved in property development and property investment	Interest in shares	1.34	-
	Customers and/or suppliers				
	Petaling Garden Sdn Bhd	Property development and investment holding	Interest in shares	-	55
Yayasan Pelaburan Bumiputra	Similar trade as that of our Group				
	Gamuda Berhad	Investment holding company with its subsidiaries principally involved in property development, property investment and activities	Interest in shares	-	1.96
	I & P Group Sdn Berhad	Investment holding and provision of management services to the subsidiaries which are principally involved in property development activities	Interest in shares	-	55

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding	
				Direct	Indirect
Yayasan Pelaburan Bumiputra (Cont'd)	IJM Corporation Berhad	Construction, property development, manufacturing, quarrying, hotel operations and others	Interest in shares	-	2.26
	IOI Corporation Berhad	Investment holding company with its subsidiaries principally involved in oi palm, property development and others	Interest in shares	-	0.44
	IOI Properties Group Berhad	Investment holding company with its subsidiaries principally involved in property development, property investment, hotel and hospitality services	Interest in shares	-	0.30
	Mah Sing Group Berhad	Investment holding and provision of management services to its subsidiaries. Its subsidiaries are principally involved in property development, property investment, property management and manufacturing of plastic moulded products	Interest in shares	-	0.40
	MIDF Property Berhad	Development of industrial estates and renting of factories	Interest in shares	-	100
	Mitrajaya Holdings Berhad	Investment holding company with its subsidiaries principally involved in property development, construction and others	Interest in shares	-	1.95
	PNB Commercial Sdn Berhad	Investment holding with subsidiaries which are principally involved in property investment, hotel operations, operation of golf course and property management services	Interest in shares	-	100

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

Substantial shareholder	Businesses/ Corporations	Principal activities	Nature of interest	% shareholding/ unitholding		
				Direct	Indirect	
Yayasan Pelaburan Bumiputra (Cont'd)	PNB Development Sdn Bhd	Investment holding with subsidiaries which are principally involved in property development, property investment and development and operations of golf resort	Interest in shares	-	100	
	PNB Merdeka Ventures Sdn Berhad	Property holding company with subsidiaries carrying on property development activities	Interest in shares	-	100	
	PNB Value Homes Sdn Berhad	Property development	Interest in shares	-	100	
	S P Setia	Investment holding company with its subsidiaries principally involved in property development, construction and manufacturing, trading and investing activities	Interest in shares	-	28.06	
	Sunway Construction Group Berhad	Investment holding company with its subsidiaries principally involved in construction and others	Interest in shares	-	0.81	
	UOA Development Berhad	Investment holding company with its subsidiaries principally involved in property development and property investment	Interest in shares	-	1.34	
	Customers and/or suppliers					
	Petaling Garden Sdn Bhd	Property development and investment holding	Interest in shares	-	55	

Note:

(1) Less than 3 units in the respective trusts are held by an individual.

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Our Directors are of the view that the interests of our substantial shareholders in other businesses and corporations which carry on similar trade as that of our Group or who are our customers and/or suppliers do not give rise to any conflict of interest situation with our business in view that their degree of influence in the daily commercial affairs of these companies is remote. Further, the representatives of PNB that sit on the board of directors of these companies are non-executive directors and they are not involved in the day-to-day operations of these companies.

Notwithstanding, the interests that are held by our substantial shareholders and the interests that may be held by our substantial shareholders in the future in other businesses or corporations which are carrying on a similar trade as our Group and/or our customers or suppliers may give rise to a conflict of interest situation with our businesses. Although such interests may give rise to a conflict of interest situation, such substantial shareholders and persons connected to them shall abstain from deliberating and voting on the resolutions relating to these matters or transactions that require the approval of our shareholders in respect of their direct or indirect interests. Such transactions will be carried out on an arm's length basis and on usual commercial terms.

10.4 RELATIONSHIPS OR ASSOCIATIONS BETWEEN OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, there are no family relationships/associations between our Directors, key management, Promoter and substantial shareholders:

- (i) ASB, EPF, KWAP, PNB and Yayasan Pelaburan Bumiputra are the substantial shareholders of the Promoter;
- (ii) PNB is the investment manager of ASB and a subsidiary of Yayasan Pelaburan Bumiputra;
- (iii) Tan Sri Abdul Wahid Omar, our Non-Independent Non-Executive Chairman is the Non-Executive Group Chairman of PNB. He is a representative of PNB on our Board. He is also a member of the Board of Trustee of Yayasan Pelaburan Bumiputra. He is also the Chairman of the Investment Committee of ASB;
- (iv) Dato' Rohana Tan Sri Mahmood, our Senior Independent Non-Executive Director is an Independent Non-Executive Director of SDB. She is also the Chairman of Sustainability Committee, a member of Governance and Audit Committee and a member of Nomination and Remuneration Committee of SDB; and
- (v) Datuk Dr Mohd Daud Bakar, one of our Independent Non-Executive Directors is a representative of PNB on our Board. He is also a member of the Investment Committee of ASB.

10.5 DECLARATION BY OUR DIRECTORS, KEY MANAGEMENT AND PROMOTER

None of our Directors, key management or Promoter is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part, directly or indirectly, in the management of any corporation;

10. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTER AND SUBSTANTIAL SHAREHOLDERS (Cont'd)

- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) the subject of any order, judgement or ruling of any court, government or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

10.6 OTHER MATTERS

- (i) Save for the remuneration received by our Directors in the course of their employment and Directors' fees received by them as disclosed in Section 10.1.9 of this Prospectus as well as dividends paid to our holding company prior to our Listing, SDB, no other amounts or material benefits has been paid or intended to be paid to the Promoter, our Directors and substantial shareholders within the 2 years preceding the date of this Prospectus.
- (ii) There is no arrangement which operation may result in a change in control of our Company at a date subsequent to our Listing.

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11. APPROVALS AND CONDITIONS**11.1 APPROVALS AND CONDITIONS**

The SC has, via its letter dated 26 October 2017, approved our Listing under Section 214(1) of the CMSA and the equity requirement for public listed companies in relation to the resultant equity structure of our Company pursuant to the Listing. The condition imposed by the SC and the status of compliance are set out below:

No.	Details of condition imposed	Status of compliance
(i)	Maybank IB and our Company to fully comply with the requirements of the Equity Guidelines and Prospectus Guidelines pertaining to the implementation of our Listing.	To be complied.

In the same letter, the SC has noted the effects of our Listing on the equity structure of our Company as follows:

Category of shareholders	As at 31 July 2017⁽¹⁾		After the Listing⁽³⁾	
	No. of Shares	%	No. of Shares	%
Bumiputera				
Individual	-	-	6,408,565	0.09
Body corporate				
- SDB - Bumiputera	662,800,000	66.28 ⁽²⁾	-	-
- ASB	-	-	2,790,700,029	41.03
- PNB	-	-	411,933,410	6.06
Others	-	-	1,298,917,139	19.10
Total Bumiputera	662,800,000	66.28	4,507,959,143	66.28
Non-Bumiputera				
- SDB - Non-Bumiputera	183,700,000	18.37 ⁽²⁾	-	-
- Other investors	-	-	1,248,648,953	18.37
Total Malaysian	846,500,000	84.65	5,756,608,096	84.65
Foreigner				
- SDB - Foreigner	153,500,000	15.35 ⁽²⁾	-	-
- Other investors	-	-	1,044,231,281	15.35
TOTAL	1,000,000,000	100.00	6,800,839,377	100.00

Notes:

- (1) All the Shares are held directly by SDB as at 31 July 2017, being the latest practicable date prior to submission of the application in relation to our Listing to the SC ("**Application LPD**").
- (2) These represent the approximate interest of the different category of shareholders of SDB as at the Application LPD.
- (3) For illustration purposes, it is assumed that SDB will distribute its entire shareholding in SD Property, after its internal restructuring exercise, by way of dividend-in-specie to its shareholders whose names appear in the Record of Depositors of SDB as at the Application LPD on the basis of 1 Share for every 1 SDB Share held, free from encumbrances.

11. APPROVALS AND CONDITIONS (Cont'd)

The SC has, via its letters dated 14 November 2017 and 24 November 2017, approved the reliefs sought by us from having to comply with certain requirements under the Prospectus Guidelines. The details of the reliefs sought and the accompanying conditions imposed by the SC are as follows:

Reference in the Prospectus Guidelines	Details of relief granted	Details of conditions imposed (if any)	Status of compliance
Paragraph 8.01(a), (b) and (c) of Division 1, Part I	<p>Affected Material Entities⁽¹⁾</p> <p>(i) Relief from disclosing the history of the business including important events in the development of their businesses for the period between the date of inception of the individual entity and date of completion of the merger of Kumpulan Sime Darby Berhad, Golden Hope Plantation Berhad and Kumpulan Guthrie Berhad ("Merger Entities").</p> <p>(ii) Relief from disclosing the date of commencement of business of the Affected Material Entities that had commenced business prior to the Merger, unless a specific certification on commencement of business was issued by the Registrar of Companies Malaysia in respect of Malaysian-incorporated entities.</p> <p>Non-Material Entities⁽²⁾</p> <p>(i) Relief from disclosing history of business since inception date, including important events in the development of the business of Non-Material Entities.</p> <p>(ii) Relief from disclosing the date of commencement of business.</p> <p>(iii) Relief from disclosing the required information as set out in paragraph 8.01(c) of Division 1, Part I of Prospectus Guidelines as follows:</p> <p><u>For subsidiaries</u></p> <p>Relief from disclosing the information on changes of the issued and paid-up capital for the last 3 years, including the date of allotment, number of shares allotted, consideration given (together with information regarding any discount, special term or instalment payment term or a negative statement thereof) and cumulative issued and paid-up capital and nominal value.</p> <p><u>For associates and joint ventures</u></p> <p>Relief from having to comply with paragraph 8.01(c) of Division 1, Part I of Prospectus Guidelines and to disclose the information on authorised, issued and paid-up capital.</p>	-	N/A

11. APPROVALS AND CONDITIONS (Cont'd)

Reference in the Prospectus Guidelines	Details of relief granted	Details of conditions imposed (if any)	Status of compliance
Paragraph 1.05 of Division 1, Part I, Paragraph 1.09(k) and Paragraph 1.12(b) of Part II	Relief from having to: <ul style="list-style-type: none"> (i) publish summary advertisement of the prospectus in Bahasa Malaysia; and (ii) issue prospectus and various experts' report in Bahasa Malaysia. 	-	N/A
Paragraph 18.01(g) of Division 1, Part I and Paragraph 1.09(i) of Part II	Relief from having to make available the following audited financial statements for inspection and from having to submit these audited financial statements to the SC: <ul style="list-style-type: none"> (i) Key Access Holdings Ltd for the FYEs 30 June 2015 to 2017; (ii) Sime Darby Brunnsfield Australia Pte Ltd for the FYEs 30 June 2015 to 2017; (iii) Sime Darby Resorts Pty Ltd for the FYEs 30 June 2015 to 2017; (iv) Sime Darby Hotels Pty Ltd for the FYEs 30 June 2015 to 2017; (v) OCI Management Pty Ltd for the FYEs 30 June 2015 to 2017; (vi) Sime Darby Asset Management (Australia) Pty Ltd for the FYE 30 June 2017; (vii) Sime Darby Properties Harta Sdn Bhd for the FYE 30 June 2017; (viii) Robt. Bradford & Company Ltd for the FYEs 30 June 2015 to 2017; (ix) Robt. Bradford Hobbs Savill Ltd for the FYEs 30 June 2015 to 2017; (x) Sapphire Industrial Asset Investment Holding Pte Ltd for the FYE 30 June 2017; (xi) Sapphire Australian Industrial Asset Investment Holding Pte Ltd for the FYE 30 June 2017; and (xii) Sime Darby Property (Amston) Pte Ltd for the FYE 30 June 2017. 	-	N/A

Notes:

- (1) **"Material Entity"** shall be an entity that meets either one or more of the following criteria:
- (a) revenue of the said entity is equal to or more than 5% of the audited consolidated revenue of SD Property for the FYE 30 June 2016; or
 - (b) profit after tax and minority interest ("**PATAMI**") of the said entity is equal to or more than 5% of the audited consolidated PATAMI of SD Property for the FYE 30 June 2016; or
 - (c) NA of investment in the said entity is equal to or more than 1% of the audited consolidated NA of SD Property as at 30 June 2016; or
 - (d) the said entity owns material lands or buildings that:
 - (aa) form part of the top 90% of the total audited NBV of the real estate of the SD Property Group as at 30 June 2016; or
 - (bb) contribute equal to or more than 5% of the audited consolidated revenue of SD Property for the FYE 30 June 2016; or
 - (cc) contribute equal to or more than 5% of the audited consolidated PATAMI of SD Property for the FYE 30 June 2016; or
 - (e) the said entity holds material licence, permits, intellectual property or contracts.

11. APPROVALS AND CONDITIONS (Cont'd)

“Affected Material Entities” shall be Material Entities that were part of the Merger Entities group of companies but incorporated prior to the completion of the Merger on 27 November 2007.

- (2) *“Non-Material Entities” shall be the remaining subsidiaries, associates and joint ventures of SD Property that are not Material Entities.*

The SAC has, via its letter dated 4 October 2017, classified our Shares as Shariah-compliant securities based on our latest audited consolidated financial information for the FYE 30 June 2017.

Bursa Securities has, via its letter dated 10 November 2017, resolved to approve the Admission and our Listing.

The shareholders of SDB have at an EGM held on 20 November 2017 approved the Pre-Listing Restructuring and our Listing.

11.2 MORATORIUM ON THE SALE OF OUR SHARES

According to the Equity Guidelines, the promoter which includes a controlling shareholder, a person connected to a controlling shareholder and an executive director who is a substantial shareholder are not allowed to sell, transfer or assign their entire holdings in the securities as at the date of listing on Bursa Securities, for 6 months from the date of listing.

SDB as well as ASB, PNB and all the other funds under PNB’s management (“**PNB and Funds Managed by PNB**”) are deemed as promoters under the Equity Guidelines. However, as SDB will not hold any of our issued Shares after the Pre-Listing Restructuring, SDB has not provided any moratorium undertaking in respect of our Shares. Additionally, as our Listing is by way of introduction via the Distribution of SD Property Shares which is undertaken on a pro-rata basis such that all the Entitled Shareholders of SDB (including PNB and Funds Managed by PNB) would receive their respective entitlement to the Distribution Shares based on their respective shareholdings in SDB as at the Entitlement Date, PNB and Funds Managed by PNB have not provided any moratorium undertaking in respect of our Shares.

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12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

12.1 RELATED PARTY TRANSACTIONS

Under the Listing Requirements, a “related party transaction” is a transaction entered into by a listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party. A “related party” of a listed issuer (not being a special purpose acquisition company) is:

- (i) a director having the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or
- (ii) a major shareholder which includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, who has or had an interest or interests in 1 or more voting shares in a corporation and that voting share or the total number of those voting shares is:
 - (a) 10.0% or more of the total number of all the voting shares in the corporation; or
 - (b) 5.0% or more of the total number of all the voting shares in the corporation where such person is the largest shareholder of the corporation; or
- (iii) a person connected with such director or major shareholder.

Certain transactions, despite falling within the definition of a related party transaction above, are not normally regarded as related party transactions. These are detailed in Paragraph 10.08(11) of the Listing Requirements.

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12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

12.1.1 Related party transactions

- (i) Save as disclosed below and the transactions entered into pursuant to and in connection with the BPHCL Subscription and Shareholders' Agreement, there are no material related party transactions that we have entered into or have proposed to enter into with related parties (other than those with the SDB Group and/or SD Plantation Group) for the past 3 FYEs 30 June 2015 to 2017, and for the next FYE 30 June 2018:

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				Actual		Estimate	
				FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018
			RM'million	RM'million	RM'million	RM'million	
1.	SD Brunnsfield Properties Holding (seller) and Subang Mall Property Sdn Bhd ("SMPSB") (buyer)	<p>Interested major shareholders and directors</p> <ul style="list-style-type: none"> Tan Sri Dato' Dr Ir Gan Thian Leong ("Tan Sri Gan")⁽¹⁾ Mohamad Hassan bin Zakaria ("Mohamad Hassan Zakaria")⁽²⁾ <p>Interested director</p> <ul style="list-style-type: none"> Gan Tien Chie⁽³⁾ 	Sale of Subang Avenue Shopping Complex, a shopping complex with 5 levels retail floors and 3 levels basement car parks via an agreement for such sale dated 27 February 2015 which was completed on 30 March 2015	139.5	-	-	-
2.	SD Brunnsfield Damansara (seller) and Brunnsfield Oasis Square Sdn Bhd ("BOSSB") (buyer)	<p>Interested major shareholders and directors</p> <ul style="list-style-type: none"> Tan Sri Gan⁽¹⁾ Mohamad Hassan Zakaria⁽²⁾ <p>Interested director</p> <ul style="list-style-type: none"> Gan Tien Chie⁽³⁾ 	Sale of 20 stratified SOHO units located at Centum, Oasis Corporate Park via an agreement for such sale dated 26 June 2015 which sale was completed on 30 September 2015	-	34.7	-	-

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				Actual		Estimate	
				FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018
		RM'million	RM'million	RM'million	RM'million		
3.	SD Property (seller) and PNB (buyer)	<p><u>Interested major shareholder</u></p> <ul style="list-style-type: none"> ASB⁽⁴⁾ <p><u>Interested person connected with major shareholder</u></p> <ul style="list-style-type: none"> PNB⁽⁵⁾ 	Sale of equity interest in Syarikat Malacca Straits Inn Sdn Bhd ("SMSI") via an agreement for such disposal dated 21 June 2016 which was completed on 21 June 2016	-	55.4	-	-
4.	The Glengowrie Rubber Company (seller) and Petaling Garden Sdn Bhd (buyer), a wholly-owned subsidiary of I & P Group Sdn Berhad ("I&P Group")	<p><u>Interested major shareholder</u></p> <ul style="list-style-type: none"> ASB⁽⁴⁾ <p><u>Interested person connected with major shareholder</u></p> <ul style="list-style-type: none"> PNB⁽⁵⁾ 	Sale of freehold land in Glengowrie Estate measuring about 805 acres via 2 separate agreements for such disposal each dated 5 October 2016 which was completed on 29 June 2017	-	-	428.8	-
5.	SD Builders (seller) and PNB Development Sdn Bhd ("PNBD") (buyer), a wholly-owned subsidiary of PNB	<p><u>Interested major shareholder</u></p> <ul style="list-style-type: none"> ASB⁽⁴⁾ <p><u>Interested person connected with major shareholder</u></p> <ul style="list-style-type: none"> PNB⁽⁵⁾ 	Sale of freehold land in New Lunderston Estate measuring about 297.51 acres via an agreement for such disposal dated 29 June 2017. The completion is targeted to take place prior to 2 January 2018	-	-	-	85.5
6.	SD Property (seller) and PNBD (buyer)	<p><u>Interested major shareholder</u></p> <ul style="list-style-type: none"> ASB⁽⁴⁾ <p><u>Interested person connected with major shareholder</u></p> <ul style="list-style-type: none"> PNB⁽⁵⁾ 	Sale of entire 40% equity interest in Seriemas Development Sdn Bhd to PNBD via an agreement for such sale dated 31 July 2017. The said sale was completed on 29 September 2017	-	-	-	625.0

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value					
				Actual		Estimate		RM'million	
				FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018	RM'million	RM'million
7.	Brunsfeld Engineering Sdn Bhd ("BESB") (service provider) to SD Brunsfeld Damansara, SD Brunsfeld Resort, and SD Brunsfeld Kenny Hills (service recipients)	<p>Interested major shareholders</p> <ul style="list-style-type: none"> Tan Sri Gan⁽⁷⁾ Mohamad Hassan Zakaria⁽⁸⁾ <p>Interested director</p> <ul style="list-style-type: none"> Gan Tien Chie⁽⁹⁾ 	Provision of design and build services as well as other service provider components by BESB for the following property development projects undertaken by SD Brunsfeld Damansara, SD Brunsfeld Resort and SD Brunsfeld Kenny Hills:	150.3	101.9	34.4	11.1		
			<ul style="list-style-type: none"> Oasis Corporate Park Oasis AutoNexus Oasis Rio Senada at ALYA Kuala Lumpur Parcel A & B at ALYA Kuala Lumpur Oasis Mall Kenny Hills Residence Oasis Central Oasis Kyla Oasis Tower Oasis Atelier 	128.6	219.7	120.5	32.6		
				2.4	9.2	36.5	25.3		
				44.5	7.4	62.6	53.6		
				-	20.7	9.9	9.9		
				4.8	-	-	-		
				2.2	-	-	-		
				-	8.0	-	-		
				-	4.6	1.0	-		
				-	4.8	-	-		
				-	2.1	-	-		

The said services were awarded via letters of award dated 9 August 2012, 22 July 2014, 8 October 2014, 27 October 2014, 10 December 2014, 17 April 2015, 27 July 2015, 29 September 2015 and 1 October 2015

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
				Actual		Estimate		RM'million
				FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018	
8.	Tunas Construction Sdn Bhd ("TCSB") (service provider) to SD Property Selatan (service recipient)	<p><u>Interested director and major shareholder</u></p> <ul style="list-style-type: none"> Tan Sri Dato' Sri Hj Esa bin Mohamed ("Tan Sri Hj Esa")⁽¹⁰⁾ 	Project management and construction management services provided for the Pagoh Education Hub project via an agreement for the provision of management services dated 9 October 2014	12.3	9.1	3.7	-	
9.	Akitek Jururancang (M) Sdn Bhd ("AJMSB") (service provider) to SD Property Selatan (service recipient)	<p><u>Interested director and major shareholder</u></p> <ul style="list-style-type: none"> Tan Sri Hj Esa⁽¹⁰⁾ 	Architectural services for the Pagoh Education Hub project via an agreement dated 6 February 2013	2.9	3.1	1.6	-	
10.	Hotel Management Sdn Bhd (service provider) to SMSI (service recipient)	<p><u>Interested major shareholder</u></p> <ul style="list-style-type: none"> Hotel Equatorial (M) Sdn Bhd⁽¹¹⁾ 	Hotel management and technical advice rendered via an agreement for the provision of such management services dated 1 March 1993	1.9	1.2	-	-	
11.	Brunsfeld Oasis Tower Sdn Bhd ("BOTSB") (landlord) and the SD Brunsfeld Holding group of companies (tenants)	<p><u>Interested major shareholders and directors</u></p> <ul style="list-style-type: none"> Tan Sri Gan⁽⁷⁾ Mohamad Hassan Zakaria⁽⁸⁾ 	Rental expenses arising from the tenancy of office units at Oasis Square via an agreement for such tenancy dated 1 March 2016 ⁽¹³⁾	-	-	2.0	2.0	

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
				Actual		Estimate	
				FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018
				RM'million	RM'million	RM'million	RM'million

12.	Our Group with (i) directors of our Group, SD Plantation Group and SDB Group; (ii) major shareholder of our Group and/or persons connected with them	Sale of properties in the ordinary course of business of not more than 10.0% of any of the percentage ratios in the Listing Requirements via transactions entered into on an ad hoc basis	7.2	10.1	0.6	(12)
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Save for discount at the rate of 5% currently available to all employees and staff of our Group in respect of any sale of properties by SD Property Group in the ordinary course of business (which discount has also been granted to the directors our Company) in respect of item 12 above, our Directors confirm that these transactions were carried out on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and are not detrimental to our non-interested shareholders.

Notes:

- (1) Tan Sri Gan is a director and major shareholder of SD Brunnsfield Holding by virtue of his interest in Brunnsfield Metropolitan Sdn Bhd (a major shareholder of SD Brunnsfield Holding) pursuant to Section 8 of the Act. SD Brunnsfield Holding is the holding company of SD Brunnsfield Properties Holding and SD Brunnsfield Damansara. He is also a major shareholder of SMPSPB and BOSSB.
- (2) Mohamad Hassan Zakaria is an alternate director to Tan Sri Gan in SD Brunnsfield Holding and a major shareholder of SD Brunnsfield Holding by virtue of his interest in Brunnsfield Metropolitan Sdn Bhd (a major shareholder of SD Brunnsfield Holding) pursuant to Section 8 of the Act. SD Brunnsfield Holding is the holding company of SD Brunnsfield Properties Holding and SD Brunnsfield Damansara. He is also a director and major shareholder of SMPSPB and BOSSB.
- (3) Gan Tien Chie is the brother of Tan Sri Gan. He is a director of SD Brunnsfield Properties Holding and SD Brunnsfield Damansara, being wholly-owned subsidiaries of SD Brunnsfield Holding. Gan Tien Chie is also a director of SMPSPB and BOSSB.
- (4) ASB is a major shareholder of SDB and will be our major shareholder after the Pre-Listing Restructuring. ASB is also a major shareholder of I&P Group.
- (5) PNB is a major shareholder of I&P Group and PNB. PNB is also a person connected with ASB.
- (6) The launch of the project was in March 2012 and the development was completed in August 2015 whilst the sales transactions were completed on 30 September 2015. The transacted prices were at market rate, within the range of prices transacted with other 3rd party purchasers.

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

- (7) Tan Sri Gan is a director and major shareholder of SD Brunnsfield Holding by virtue of his interest in Brunnsfield Metropolitan Sdn Bhd (a major shareholder of SD Brunnsfield Holding) pursuant to Section 8 of the Act. SD Brunnsfield Holding is the holding company of SD Brunnsfield Damansara and SD Brunnsfield Resort. Tan Sri Gan is also a major shareholder of BESB and BOTSB.
- (8) Mohamad Hassan Zakaria is an alternate director to Tan Sri Gan in SD Brunnsfield Holding and a major shareholder of SD Brunnsfield Holding, by virtue of his interest in Brunnsfield Metropolitan Sdn Bhd (a major shareholder of SD Brunnsfield Holding) pursuant to Section 8 of the Act. SD Brunnsfield Holding is the holding company of SD Brunnsfield Damansara and SD Brunnsfield Resort. Mohamad Hassan Zakaria is also a director and major shareholder of BESB and BOTSB.
- (9) Gan Tien Chie is the brother of Tan Sri Gan. He is a director of SD Brunnsfield Damansara and SD Brunnsfield Resort, being wholly-owned subsidiaries of SD Brunnsfield Holding.
- (10) Tan Sri Hj Esa is a director and major shareholder of SD Property Selatan, by virtue of his effective interest in Tunas Selatan Pagoh Sdn Bhd (a major shareholder of SD Property Selatan) pursuant to Section 8 of the Act. TSCSB is the holding company of Tunas Selatan Pagoh Sdn Bhd. Tan Sri Hj Esa is also a director and major shareholder of TSCSB.
- (11) Hotel Equatorial Management Sdn Bhd is a wholly-owned subsidiary of Hotel Equatorial (M) Sdn Bhd, which was in turn a major shareholder of SMSI. We had on 21 June 2016 disposed SMSI to PNB. For further information on the disposal, please refer to item (3) of Section 12.1.1(i) of this Prospectus.
- (12) The estimate value of this category of transaction cannot be ascertained given the various types of properties sold by our Group with prices which may vary from project to project. However, in accordance with Paragraph 3.3 of Practice Note 12 of the Listing Requirements, any one of the percentage ratios of these transactions is not more than 10.0%.
- (13) The tenancy agreement dated 1 March 2016 in respect of office units within Oasis Square provides that the tenancy of the office units is for a term of 3 years commencing from 1 March 2016 ("Term"). The monthly rental of RM156,480 (inclusive of service charge) ("Initial Monthly Rent") is payable by SD Brunnsfield Holding group of companies to BOTSB on the 1st day of each month in advance.
- BOTSB shall, at the written request of SD Brunnsfield Holding group of companies (made 6 months before the expiration of the Term) grant them a tenancy of the office units for a further renewal term of 2 terms of 3 years each at a revised rent based on either:
- the prevailing market rate to be mutually agreed by the parties; or
 - at an increased rental not exceeding 10.0% of Initial Monthly Rent,
- whichever is lower but not lower than the Initial Monthly Rent, provided that at the time of such request there shall not be any existing breach or non-observance of any covenants on the part of SD Brunnsfield Holding group of companies. The terms and conditions of the renewed tenancy shall be on like terms with the initial tenancy agreement, with the exception of the option to renew and such other terms and conditions to be mutually agreed by the parties.
- If the rent is unpaid for 7 days after becoming payable, or if any covenant on the part of SD Brunnsfield Holding group of companies is not performed or observed and the same is not remedied within 7 days after written notice has been given requiring said breach to be remedied, it shall be lawful for BOTSB to serve a forfeiture notice upon SD Brunnsfield Holding group of companies pursuant to Section 235 of the National Land Code 1965. On the expiration of the period specified in the forfeiture notice, BOTSB shall be entitled to terminate the tenancy agreement and enforce its right re-enter the office units, but without prejudice to the right of action of BOTSB in respect of any breach of the terms and conditions of the tenancy agreement by SD Brunnsfield Holding group of companies.

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

(ii) Prior to the completion of the Pre-Listing Restructuring, our Company and SD Plantation are wholly-owned subsidiaries of SDB. Any transactions entered into between the parties prior to the Distributions were not regarded as related party transactions from SDB's perspective as these transactions were entered into between a listed issuer (i.e. SDB) (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiaries.

Save for the loan restructuring agreement in relation to the Robt. Bradford group loan as described in Section 16.6(ii) of this Prospectus, the following tables set out the material transactions that were entered into with the SDB Group and/or SD Plantation Group for the past 3 FYEs 30 June 2015 to 2017, as well as the material transactions that were entered into and/or proposed (prior to the Distributions) to be entered into with the SDB Group and/or SD Plantation Group for the next FYE 30 June 2018:

No.	Transacting parties	Nature of transaction	Transaction value			
			Actual		Estimate	
			FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018
			RM'million	RM'million	RM'million	RM'million
1.	Hyundai-Sime Darby Motors Sdn Bhd ("HSDM") (buyer), a wholly-owned subsidiary of SDB, SD Ara Damansara (seller) and SD Brunsfield Damansara (developer)	Construction and sale of 6 blocks of 7 storey commercial buildings together with the first level of basement carpark via an agreement for such construction and disposal dated 2 January 2014. The construction and sale is targeted for completion in June 2018	115.0	279.3	-	20.7
2.	SD Elmina (buyer) and Sanguine (Malaysia) Sdn Bhd ("SMSB") (seller), a wholly-owned subsidiary of SD Plantation	Acquisition of parcels of plantation land in (a) Mukim Bukit Raja, District of Petaling, (b) Mukim Kapar, District of Klang and (c) Mukim Sg. Buloh, District of Petaling, all in the State of Selangor measuring in total about 1,583 acres via an agreement for such acquisition dated 5 September 2014 (which was entered into pursuant to a master agreement governing disposal of land, undivided shares in land and shares of SMSB dated 17 November 2011 between our Company and SD Plantation, as amended by a supplemental agreement dated 5 September 2014). The said acquisition was deemed completed on 28 January 2015	221.6	-	-	-

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of transaction	Transaction value			
			Actual		Estimate	
			FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018
		RM'million	RM'million	RM'million	RM'million	
3.	Our Company (buyer) and SMSB (seller)	Acquisition of parcels of plantation land in Mukim Rawang, District of Gombak, State of Selangor measuring in total about 1,541 acres via an agreement for such acquisition dated 30 January 2015 (which was entered into pursuant to a master agreement governing disposal of land, undivided shares in land and shares of SMSB dated 17 November 2011 between our Company and SD Plantation, as amended by a supplemental agreement dated 5 September 2014). The said acquisition was deemed completed on 18 January 2016	-	215.7	-	-
4.	Sime Darby Auto ConneXion Sdn Bhd ("SDAC") (buyer), a wholly-owned subsidiary of SDB and SD Property Holdings (seller)	Sale of freehold land in Mukim Klang, District of Klang, State of Selangor measuring about 10 acres via an agreement for such disposal dated 17 June 2016. The said sale was deemed completed on 30 June 2016	-	35.3	-	-
5.	Our Company (buyer) and SD Plantation (seller)	Acquisition of the MVV Lands, comprising 22 parcels of land and measuring a total of about 1,880 acres via the MVV Sale and Purchase Agreement. The said acquisition was completed on 29 September 2017	-	-	-	689.6

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of transaction	Transaction value			
			Actual		Estimate	
			FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018
			RM'million	RM'million	RM'million	RM'million
6.	Our Company (licensee) and SD Malaysia (licensor)	Grant of a non-exclusive, non-assignable and non-transferable licence to use: (a) the "SIME DARBY" mark, Sime Darby Shield Device Logo, Shield Device Logo, Sime Darby in Chinese Characters, the "DEVELOPING SUSTAINABLE FUTURES" tagline and the "DELIVERING SUSTAINABLE FUTURES" tagline worldwide; and (b) the "DARBY PARK" mark only in those countries it is currently registered, solely in the course of or in connection with our business in accordance with the Trademark and Brand Licence Agreement ⁽¹⁾	-	-	-	2.0 (per year)
7.	Our Company (grantee) and SD Plantation (grantor)	Options to sell the legal and beneficial ownership of and title to the Option Lands at any time during the Option Period at a purchase price to be determined by the board of directors of the parties based on valuation to be conducted by an agreed independent valuer via the Land Option Agreements	-	-	-	(2)
8.	Our Company (grantee) and KSDB (grantor)	Option to acquire the legal and beneficial ownership of and title to the MVV Option Lands at any time during the MVV Option Period at a purchase price to be determined by the board of directors of the parties based on a valuation to be conducted by an agreed independent valuer via the MVV Option Agreements	-	-	-	(3)

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of transaction	Transaction value			
			Actual		Estimate	
			FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018
			RM'million	RM'million	RM'million	RM'million
9.	SDHB (buyer), a wholly-owned subsidiary of SDB, SD Ara Damansara (seller) and SD Brunsfield Damansara (developer)	Construction and sale of 1 block of 11 storey commercial building and 1 block of 11 storey comprising 22 units of office suites with a rooftop garden at level 12 via 2 separate agreements both dated 20 June 2017. The construction and sale under both contracts were completed on 20 June 2017	-	-	150.0	-
10.	SDHB (buyer), a wholly-owned subsidiary of SDB, SD Ara Damansara (seller) and SD Brunsfield Damansara (developer)	Construction and sale of 2 blocks of 11 storey commercial buildings via an agreement for such construction and sale dated 20 June 2017. The said construction and sale is targeted for completion by 31 August 2018	-	-	193.3	36.7
11.	SD Elmina (tenant) and SD Plantation Group (landlord)	Rental expenses arising from the tenancy of quarry land in Mukim Jimah, District of Port Dickson, Negeri Sembilan via a lease agreement dated 29 March 1995 (as amended by a supplemental agreement dated 1 April 2015) for a term of 30 years from 1 January 1995 until 31 December 2024 ⁽⁴⁾	0.3	0.3	0.3	0.3
12.	Our Group (payer) and SDB Group (payee)	Car leasing charges entered into on an ad hoc basis	3.1	3.2	2.5	2.9

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of transaction	Transaction value				
			Actual		Estimate		
			FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018	
			RM'million	RM'million	RM'million	RM'million	
13.	SD Property Group (payer) and SD Global Services Centre (payee), a wholly-owned subsidiary of SDB	Provision of centralised operational support, i.e. payroll, accounting and information technology processing, and other administration services via a master service agreement dated 3 November 2014 which is effective from 3 November 2014. This agreement will be terminated and replaced by the Master Services Agreement from the date of our Listing ⁽⁵⁾	6.7	9.4	14.5	25.9	
14.	Our Group (donor) and the Foundation (recipient)	Contributions to the Foundation on an ad hoc basis which, from the date of our Listing, will be carried out in accordance with the Donation Agreement ⁽⁶⁾	28.2	23.5	6.3	20.0 (per year)	
15.	Our Group (payer) and SD Lockton Insurance Brokers (payee), a wholly-owned subsidiary of SDB	Insurance broking services via a broker services agreement dated 1 July 2013 which is effective from 1 July 2013. This agreement will be terminated and replaced by the Broker Services Agreement from the date of our Listing ⁽⁷⁾	1.8	2.0	4.6	4.6	

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of transaction	Transaction value			
			Actual		Estimate	
			FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018
		RM'million	RM'million	RM'million	RM'million	
16.	Our Group (landlord) and SD Plantation Group (tenant)	Rental income from leasing of agricultural land in via the following tenancy agreements:	4.9	2.8	3.1	6.0
		(a) 6 tenancy agreements dated 1 November 2017 in respect of Jalan Acob, Sua Betong, Mostyn, Victoria, Jerai and Lanadron estates respectively, all of which are for a term of 2 years from 1 July 2017 with an option to renew for a further term of 1 year ⁽⁶⁾ ;				
		(b) 3 tenancy agreements dated 1 November 2017 in respect of Bukit Selarong, Bukit Lagong and New Labu estates respectively, all of which are for a term of 2 years from 1 November 2017 with an option to renew for a further term of 1 year ⁽⁹⁾ ;				
		(c) a tenancy agreement dated 13 July 2017 in respect of Ampar Tenang estate for a term of 1 year from 1 January 2017 ⁽¹⁰⁾ ; and				
		(d) a tenancy agreement to be entered into in respect of Elmira estate for a term of 2 years from 1 November 2017 with an option to renew for a further term of 1 year ⁽¹¹⁾				
17.	Stableford Development (payee), SD Plantation Group and SDB Group (collectively, payers)	Rental charges for banquet hall and equipment and provision of food & beverages services transactions entered into on an ad hoc basis	2.3	3.9	3.5	4.2
18.	KLGCC, Impian Golf, Harvard Golf Resort (collectively, payees), SD Plantation Group and SDB Group (collectively, payers)	Provision of golf membership, golfing, sporting and other recreational facilities via transactions entered into on an ad hoc basis	0.2	0.1	0.1	1.2

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of transaction	Transaction value			
			Actual		Estimate	
			FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018
		RM'million	RM'million	RM'million	RM'million	
19.	Our Company (payer) and SDHB, a wholly-owned subsidiary of SDB (payee)	Management service fees and internal audit fees via a management services agreement dated 22 April 2016 which is effective from 1 July 2015 and shall continue to be in force until terminated. ⁽¹²⁾ This agreement may be terminated by either party in the following circumstances: (a) Termination for convenience by giving the other party 90 days' prior written notice; or (b) termination for cause, among others, if the other party fails to remedy a breach within 30 days written notice thereof	124.6	133.9	128.0	64.0
20.	Our Group (payee/tenant) and SDHB (payer/sub-tenant)	Rental income arising from the tenancy of office units within Wisma Sime Darby via an agreement for such tenancy dated 27 May 2015 and secretarial fees ⁽¹³⁾	6.5	6.4	6.0	2.8
21.	Our Group (payee/tenant) and SD Global Services Centre (payer/sub-tenant)	Rental income arising from the tenancy of office units within Wisma Sime Darby via 2 agreements for such tenancy dated 3 February 2016 and 21 April 2015 (which was renewed via renewal letter dated 3 July 2017 for a further period of 1 year commencing from 1 July 2017) and cleaning fees ⁽¹³⁾⁽¹⁴⁾	3.6	3.9	3.8	1.9
22.	Our Group (payee/tenant) and SD Lockton Insurance Brokers (payer/sub-tenant)	Rental income arising from the tenancy of office units within Wisma Sime Darby via an agreement for such tenancy dated 21 June 2017 and rental income received from the rental of car bays ⁽¹⁵⁾	1.2	1.0	1.1	0.6

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

No.	Transacting parties	Nature of transaction	Transaction value				
			Actual		Estimate		
			FYE 30 June 2015	FYE 30 June 2016	FYE 30 June 2017	FYE 30 June 2018	RM'million
			RM'million	RM'million	RM'million	RM'million	
23.	Our Company (purchaser) and Sime Darby Holiday Homes Sdn Bhd (seller), a wholly-owned subsidiary of SDB	Acquisition of a unit of bungalow located at Lot 2382 Sri Bayu, Port Dickson, Negeri Sembilan via a sale and purchase agreement to be entered into	-	-	-	-	1.75
24.	SD Property (purchaser) and Sime Darby Holiday Homes Sdn Bhd (seller)	Acquisition of a unit of bungalow located at Lot 1187 Sri Bayu, Port Dickson, Negeri Sembilan via a sale and purchase agreement to be entered into	-	-	-	-	0.75
25.	SD Property (lessor) and SD Plantation (lessee)	Leaseback of the MVV Lands from SD Property to SD Plantation to carry out the planting/replanting, maintenance of oil palm, and the harvesting and selling of fresh fruit bunches (being the oil palm fruits which grow in bunches on oil palm trees, from which crude palm oil, palm kernel and crude palm kernel oil are obtained) via the tenancy agreement dated 29 September 2017 (as amended pursuant to a letter dated 10 November 2017) for a term of 3 years from 29 September 2017 ⁽¹⁶⁾	-	-	-	-	1.2

Notes:

(1) Please refer to Section 7.22 of this Prospectus for details of the Trademark and Brand License Agreement.

(2) Please refer to Section 4.1.2(i) and Section 16.6(i) of this Prospectus for details of the Land Option Agreements.

(3) Please refer to Section 4.1.2(ii) and Section 16.6(ii) of this Prospectus for details of the MVV Option Agreements.

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

- (4) *The lease agreement dated 29 March 1995 (as amended by a supplemental agreement dated 1 April 2015) provides that the yearly rental of RM280,555.00 is payable yearly in advance on the first day of the year. The rate of rental of the quarry land will be revised once every 3 years to take into account the inflation index affecting the present value of the lease rental. If the rental is unpaid for 14 days after the formal demand or if any covenant on the part of SD Elmina is not performed or observed, it shall be lawful for our Group at any time thereafter to re-enter upon the quarry land and thereupon the lease shall be terminated but without prejudice to the right of action of our Group in respect of any breach of the covenants as contained in this lease agreement by SD Elmina. If either party wishes to terminate the lease before its expiration, it shall give to the other party 3 months' prior notice in writing. If SD Elmina wishes to renew the lease for a further term of 30 years, it shall give at least 3 months' notice in writing to SD Plantation Group before the expiration of the lease and shall pay the rent and observe the covenants contained in this lease agreement up to the termination of the term. SD Plantation Group will then grant to SD Elmina a lease of the quarry land for a further term of 30 years at a rental to be agreed upon but subject to the same covenants as contained in this lease agreement except the covenant for renewal.*
- (5) *On 25 August 2017, our Company entered into the Master Services Agreement with SD Global Services Centre where we will continue to obtain certain centralised operational support and functional services from SD Global Services Centre for a term of 3 years commencing from the date of our Listing in accordance with the terms and conditions of the Master Services Agreement. In consideration of the services performed under the Master Services Agreement, our Company will pay an annual fee to SD Global Services Centre, which will be in accordance with the specific scope of services provided to our Group. The fee is subject to annual review and determined after taking into account, among others, the recoverability of the services cost, cost to maintain the relevant systems and changes to the scope of services. Please refer to Section 4.1.2(iii) of this Prospectus for further details of the Master Services Agreement.*
- (6) *On 25 August 2017, our Company entered into the Donation Agreement with the Foundation pursuant to which our Company endeavours to make an annual cash donation of RM20,000,000 to the Foundation for a term of 5 years with effect from the date of our Listing (unless extended by mutual agreement of the parties) in accordance with the terms and conditions of the Donation Agreement. Please refer to Section 4.1.2(vi) and Section 16.6(iii) of this Prospectus for further details of the Donation Agreement.*
- (7) *On 25 August 2017, our Company entered into the Broker Services Agreement with SD Lockton Insurance Brokers where our Company is entitled procure certain services from SD Lockton Insurance Brokers (including to recommend and advise our Company on subscription to appropriate insurance and/or takaful policies for our Group's businesses and act as an intermediary between our Company and the insurance and/or takaful company) for a term of 3 years commencing from the date of our Listing (with our Company having an option to renew the agreement for a further period that the parties mutually agree) in accordance with the terms and conditions of the Broker Services Agreement. Any fee payable to SD Lockton Insurance Brokers will depend on the insurance policies procured by our Group through SD Lockton Insurance Brokers. Please refer to Section 4.1.2(v) of this Prospectus for further details of the Broker Services Agreement.*

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

- (8) Each of the 6 tenancy agreements dated 1 November 2017 in respect of Jalan Acob, Sua Betong, Mostyn, Victoria, Jerai and Lanadron estates provides that the rent payable by SD Plantation Group to our Group is calculated as follows:

$$\frac{A \times B}{12^*}$$

where:

A = the preceding month's average Malaysian Palm Oil Board delivered price of crude palm oil per metric tonne for Malaysia; and

B = total planted area in hectares

* As the numerator (i.e. A x B) represents the annual rent, the monthly rent is calculated by dividing the annual rent by 12 months.

The rent shall be paid on a monthly basis on or before the 7th day of each and every succeeding calendar month in advance. SD Plantation Group may renew the term by providing our Group with a notice in writing of its desire to renew the term at least 6 months prior to the expiry of the term. Subject to SD Plantation Group being in compliance with all its covenants and obligations under the tenancy agreement, and subject further to our Group not having any immediate plans to develop the land and/or any portion thereof, our Group shall grant SD Plantation Group an option to renew the tenancy agreement for a further period of 1 year upon the same terms and conditions as contained in these tenancy agreements and/or any other terms to be agreed upon by the parties. Either party may terminate the tenancy or SD Plantation Group may elect to surrender any portion of the tenanted land to our Group prior to the expiry of the tenancy by giving at least 6 months' notice in writing to the other party.

If our Group:

- (i) wishes to terminate the tenancy but fails to give the 6 months' notice in writing, our Group shall pay SD Plantation Group the costs incurred by SD Plantation Group in connection with the activities conducted by SD Plantation Group, such as manuring and procurement of fertiliser exercises undertaken within the preceding 12 months ("**Maintenance Costs**") from the date the notice is given by our Group which shall be computed on such portion of the tenanted land surrendered; or
- (ii) serves on SD Plantation Group a notice in writing which is less than 6 months, the amount to be paid by our Group to SD Plantation Group shall be equivalent to:

$$\frac{\text{Maintenance Costs}}{\text{(computed on such portion of the tenanted land surrendered)}} \times \frac{n}{6}$$

where 'n' is the duration of the insufficient notice served (in months).

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

If SD Plantation Group:

- (a) wishes to terminate the tenancy but fails to give the 6 months' notice in writing, SD Plantation Group shall pay our Group a sum equivalent to 6 months' rent (calculated based on the average preceding 6 months' rent) which shall be computed on such portion of the tenanted land surrendered, if the surrender is only in respect of a portion of the tenanted land; or
- (b) serves on our Group a notice in writing which is less than 6 months, the amount to be paid by SD Plantation Group to our Group shall be equivalent to:

$$\text{Average rent for the preceding 6 months at the point of termination (computed on such portion of the tenanted land surrendered)} \times m$$

where 'm' is the duration of the insufficient notice served (in months).

- (9) The salient terms of which are similar to the salient terms of each of the 6 tenancy agreements dated 1 November 2017 in respect of Jalan Acob, Sua Betong, Mostyn, Victoria, Jerai and Lanadron estates, as described in paragraph (a) above.
- (10) The tenancy agreement dated 13 July 2017 in respect of Ampar Tenang estate provides that the rent payable by SD Plantation Group to our Group is calculated at the rate of RM100 per acre of the area of land planted with oil palm trees ("Planted Area").

The agreed rate of RM100 per acre of the Planted Area, which applies to the tenancy of Ampar Tenang estate for a term of 1 year from 1 January 2017, is comparable to the rental rate that is derived based on the formulae set out in the tenancy agreements in relation to the MVV Land, the template tenancy agreement attached in the respective Land Option Agreements as described in Section 4.1.2(i) of this Prospectus as well as all other tenancy agreements between our Group and SD Plantation Group as set out in item 16 of Section 12.1.1(ii) of this Prospectus (collectively, the "Other Tenancy Agreements"), which is calculated based on the prevailing crude palm oil price. Upon the expiry of the term of this tenancy, the parties intend to renew this tenancy based on the standardised terms similar to the Other Tenancy Agreements, whereby the rental rate will be calculated based on the prevailing crude palm oil price instead of a fixed rate of RM100 per acre of the Planted Area.

The rent shall be paid on a monthly basis on or before the 7th day of each and every succeeding calendar month in advance. SD Plantation Group may renew the term by providing our Group with a notice in writing of its desire to renew the term at least 3 months prior to the expiry of the term. Subject to SD Plantation Group being in compliance with all its covenants and obligations under this tenancy agreement, and subject further to our Group not having any immediate plans to develop the land and/or any portion thereof, our Group shall grant SD Plantation Group an option to renew this tenancy agreement for a further period of 1 year upon the same terms and conditions as contained in this tenancy agreement and/or any other terms to be agreed upon by the parties. Either party may terminate the tenancy or SD Plantation Group may elect to surrender any portion of the tenanted land to our Group prior to the expiry of the tenancy by giving at least 6 months' notice in writing to the other party.

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

If our Group:

- (i) wishes to terminate the tenancy but fails to give the 6 months' notice in writing, our Group shall pay SD Plantation Group the costs incurred by SD Plantation Group in connection with the activities conducted by SD Plantation Group, such as manuring and procurement of fertiliser exercises undertaken within the preceding 12 months ("**Maintenance Costs**") from the date the notice is given by our Group which shall be computed on such portion of the tenanted land surrendered; or
- (ii) serves on SD Plantation Group a notice in writing which is less than 6 months, the amount to be paid by our Group to SD Plantation Group shall be equivalent to:

$$\frac{\text{Maintenance Costs}}{\text{(computed on such portion of the tenanted land surrendered)}} \times \frac{n}{6}$$

where 'n' is the duration of the insufficient notice served (in months).

If SD Plantation Group:

- (a) wishes to terminate the tenancy but fails to give the 6 months' notice in writing, SD Plantation Group shall pay our Group a sum equivalent to RM100 per acre x such portion of the Planted Area surrendered x 6 months' rent which shall be computed on such portion of the tenanted land surrendered, if the surrender is only in respect of a portion of the tenanted land; or
- (b) serves on our Group a notice in writing which is less than 6 months, the amount to be paid by SD Plantation Group to our Group shall be equivalent to:
- RM100 per acre x such portion of the Planted Area surrendered x m
- where 'm' is the duration of the insufficient notice served (in months).
- (11) The salient terms of which are similar to the salient terms of each of the 6 tenancy agreements dated 1 November 2017 in respect of Jalan Acob, Sua Betong, Mostyn, Victoria, Jerai and Lanadron estates, as described in paragraph (a) above.
- (12) For avoidance of doubt, the management service fees and internal audit fees to SDHB will cease to continue upon the Listing.

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

- (13) *The tenancy agreement dated 27 May 2015 in respect of office units within Wisma Sime Darby provides that the tenancy of the office units is for a term of 3 year commencing from 1 January 2015 ("Term") ("SDHB's Sub-tenancy Agreement"). The yearly rent for the office units payable by SDHB to our Group is RM4,403,504.40. The rent shall be paid by equal monthly instalments of RM366,958.70 per month by the 7th day of each month in advance ("Initial Monthly Rent"). In addition to the rent, SDHB shall pay monthly service charge of RM89,497.60 per month for the office units together with the rent and shall be subject to such increase as our Group may impose due to increase costs provided that the additional sum is agreed by SDHB ("Initial Service Charge").*
- Our Group shall have the sole discretion on the written request of SDHB made 3 months before the expiration of the Term and if there shall not be at the time of such request any existing breach or non-observance of any covenants on the part of SDHB, grant to SDHB a tenancy of the office units for a further renewal term of 2 years from the expiration of the Term at a rent to be determined by our Group subject to the prevailing market rate but not more than 10.0% of Initial Monthly Rent and the Initial Service Charge, provided always that such renewed tenancy shall contain the like covenant and provisos as are contained in this tenancy agreement. If the rent is unpaid for 14 days after becoming payable or if any covenant on the part of SDHB is not performed or observed, it shall be lawful for our Group to re-enter upon the office units and thereupon the tenancy shall be terminated.*
- The secretarial services to SDHB were discontinued during the financial year 2016.*
- The tenancy arrangement between the State Government of Sabah as the landlord and our Group as the tenant in respect of the office units within Wisma Sime Darby will expire on 31 December 2017 ("Tenancy Arrangement"). Our Group do not intend to renew the Tenancy Arrangement upon expiration and as a consequence the SDHB's Sub-tenancy Agreement will not be renewed upon its expiration on 31 December 2017.*
- (14) *The tenancy agreement dated 3 February 2016 in respect of office units within Wisma Sime Darby provides that the tenancy of the office units is for a term of 3 year commencing from 1 November 2015 ("Term") ("SD Global Services Centre's Sub-tenancy Agreement 1"). The yearly rent for the office units payable by SD Global Services Centre to our Group is RM245,718.00. The rent shall be paid by equal monthly instalments of RM20,476.50 per month by the 7th day of each month in advance ("Initial Monthly Rent"). In addition to the rent, SD Global Services Centre shall pay monthly service charge of RM4,964.00 per month for the office units together with the rent and shall be subject to such increase as our Group may impose due to increase costs provided that the additional sum is agreed by SD Global Services Centre ("Initial Service Charge"). Our Group shall have the sole discretion on the written request of SD Global Services Centre made 3 months before the expiration of the Term and if there shall not be at the time of such request any existing breach or non-observance of any covenants on the part of SD Global Services Centre, grant to SD Global Services Centre a tenancy of the office units for a further renewal term of 2 years from the expiration of the Term at a rent to be determined by our Group subject to the prevailing market rate but not more than 10.0% of Initial Monthly Rent and the Initial Service Charge, provided always that such renewed tenancy shall contain the like covenant and provisos as are contained in this tenancy agreement. If the rent is unpaid for 14 days after becoming payable or if any covenant on the part of SD Global Services Centre is not performed or observed, it shall be lawful for our Group to re-enter upon the office units and thereupon the tenancy shall be terminated.*
- The sub-tenancy of office units within Wisma Sime Darby pursuant to the terms of the tenancy agreement dated 21 April 2015 which expired on 30 June 2017 has been renewed by the parties via renewal letter dated 3 July 2017 for a further period of 1 year commencing from 1 July 2017 ("SD Global Services Centre's Sub-tenancy Agreement 2"). The salient terms of the SD Global Services Centre's Sub-tenancy Agreement 2 are similar to the salient terms of the SD Global Services Centre's Sub-tenancy Agreement 1 save for SD Global Services Centre shall pay to our Group the monthly rental of RM237,531.90 and monthly service charge RM50,909.60 pursuant to the SD Global Services Centre's Sub-tenancy Agreement 2.*

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

Our Group do not intend to renew the Tenancy Arrangement upon expiration. The State Government of Sabah, our Group and SD Global Services Centre are currently negotiating on the novation of our Group's rights, duties and obligations under the SD Global Services Centre's Sub-tenancy Agreement 1 and the SD Global Services Centre's Sub-tenancy Agreement 2 from our Group to the State Government of Sabah.

- (15) *The tenancy agreement dated 21 June 2017 in respect of an office unit within Wisma Sime Darby provides that the tenancy of the office unit is for a term of 2 years commencing from 1 July 2016 ("Term") ("SD Lockton Insurance Brokers' Sub-tenancy Agreement"). The rent of RM67,540.20 per month for the office unit is payable by SD Lockton Insurance Brokers to our Group by the 7th day of each month in advance ("Initial Monthly Rent").*
- In addition to the rent, SD Lockton Insurance Brokers shall pay monthly service charge fees of RM13,854.40 per month for the office unit together with the rent, and the service charge fees shall be subject to such increase as our Group may impose due to such increases in the cost incurred by our Group in maintaining the property, provided that the additional sum is agreed by SD Lockton Insurance Brokers ("Initial Service Charge"). On the written request of SD Lockton Insurance Brokers made 3 months before the expiration of the Term and provided there shall not be at the time of such request any existing breach or non-observance of any covenants on the part of SD Lockton Insurance Brokers, our Group shall have the sole discretion to grant to SD Lockton Insurance Brokers a further renewal term of 2 years from the expiration of the Term at a rent to be determined by our Group subject to the prevailing market rate but not more than 10.0% of Initial Monthly Rent and the Initial Service Charge, provided always that such renewed tenancy shall contain the like covenant and provisos as are contained in the initial tenancy agreement. If the rent is unpaid for 14 days after becoming payable or if any covenant on the part of SD Lockton Insurance Brokers is not performed or observed, it shall be lawful for our Group to re-enter upon the office unit and terminate the tenancy agreement.*

Our Group do not intend to renew the Tenancy Arrangement upon expiration. The State Government of Sabah, our Group and SD Lockton Insurance Brokers are currently negotiating on the novation of our Group's rights, duties and obligations under the SD Lockton Insurance Brokers' Sub-tenancy Agreement to the State Government of Sabah.

- (16) *Please refer to Section 4.1.1(i) and Section 4.1.2(i) of this Prospectus for details of the leaseback of the MVV Lands from our Company to SD Plantation.*
- Save for the contributions to the Foundation, as set out in item 14 of Section 12.1(ii) of this Prospectus, to support the charitable intent established by the governing council of the Foundation, our Directors confirm that these transactions were carried out on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and are not detrimental to our non-interested shareholders.
- In addition to the above, for the past 3 FYEs 30 June 2015 to 2017, and up till the LPD, we have also received proceeds and advances from the SDB Group via, among others, subscription of the Preference Shares by SDB as well as the inter-company loans. All such Preference Shares and outstanding amounts have been fully redeemed and repaid pursuant to the Redemption and Interco Settlement disclosed in Section 4.1.1(i)(b) and Section 4.1.1(i)(c) of this Prospectus, respectively.

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

Our GAC is of the view that the transactions that were entered into and/or proposed to be entered into with:

- (a) related parties other than the SDB Group and/or SD Plantation Group as set out in items (5) to (7), (11) and (12) of Section 12.1.1(i) of this Prospectus; and
 - (b) the SDB Group and/or SD Plantation Group as set out in items (1), (5) to (8), and (10) to (25) of Section 12.1.1(ii) of this Prospectus,
- for the FYE 30 June 2018 are:
- (i) in the best interest of our Company;
 - (ii) fair, reasonable and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties; and
 - (iii) not detrimental to the interest of our Company's minority shareholders.

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12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

12.1.2 Transactions entered into that are unusual in their nature or conditions

There were no unusual transactions in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the past 3 FYEs 30 June 2015 to 2017 and the financial period up to the LPD.

12.1.3 Outstanding loans and guarantees

There were no outstanding loans (including guarantees of any kind) made by our Group to or for the benefit of our related parties in respect of the past 3 FYEs 30 June 2015 to 2017 and the financial period up to the LPD.

12.2 CONFLICTS OF INTEREST**12.2.1 GAC review**

Our GAC reviews any related party transaction and conflicts of interest that may arise within our Group. For any conflicts of interest that may arise, our GAC will review and ensure that these conflicts of interest are mitigated. Our GAC periodically reviews the procedures set by our Company to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with our Group and are not to the detriment of our Company's minority shareholders. All reviews by our GAC are reported to our Board for its further action. In the course of reviewing the related party transactions, our GAC will take into consideration the advice and recommendations of the advisers, valuers and such professionals, if so appointed.

12.2.2 Monitoring and oversight of related party transactions and conflicts of interest

Related party transactions, by their very nature, involve a conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of our Group's officers and Directors are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions shall be reviewed by our GAC to ensure that there is no conflict of interest and to not enter into transactions with related parties unless these transactions are carried out on normal commercial terms not more favourable to the related party than those generally available to third parties dealing at arm's length with our Group and are not to the detriment of our Company's minority shareholders. In addition, details of the related party transactions shall also be tabled to our Board for notation on a quarterly basis.

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12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST *(Cont'd)*

12.3 DECLARATIONS BY ADVISERS ON CONFLICTS OF INTEREST

12.3.1 Declaration by Maybank IB

Maybank IB and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, our Group has subsisting term loan, revolving credit and trade lines with a combined limit of RM1,420.0 million with the Maybank Group. The said credit facilities have been extended by the Maybank Group in its ordinary course of business. In addition, PNB, ASB and EPF hold about 7.0%, 34.7% and 12.2% equity interest in Malayan Banking Berhad (the holding company of Maybank IB) as at the LPD, respectively.

Notwithstanding the above, Maybank IB is of the view that the abovementioned do not give rise to a conflict of interest situation in its capacity as Principal Adviser for our Listing due to the following:

- (i) the Maybank Group is a licensed commercial bank and the extension of credit facilities to our Group arose in the ordinary course of business of the Maybank Group;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by, among others, the Financial Services Act, 2013, Islamic Financial Services Act, 2013 and the Maybank Group's own internal controls and checks;
- (iii) the total aggregate outstanding amount owed by our Group to the Maybank Group of RM999.0 million as at the LPD is not material when compared to the audited NA of the Maybank Group as at 31 December 2016 of RM68.5 billion
- (iv) PNB, ASB and EPF do not have any operational control over the management of the Maybank Group; and

Maybank IB has also confirmed that there is no conflict of interest situation in its capacity as Principal Adviser for our Listing.

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

12.3.2 Declaration by PricewaterhouseCoopers (AF 1146)

PricewaterhouseCoopers (AF 1146) has confirmed that there is no conflict of interest situation in its capacity as the Auditors and Reporting Accountants to our Company in relation to our Listing.

12.3.3 Declaration by Kadir, Andri & Partners

Kadir, Andri & Partners has confirmed that there is no conflict of interest situation in its capacity as the legal adviser to our Company as to the laws of Malaysia in relation to our Listing.

12.3.4 Declaration by Norton Rose Fulbright Australia

Norton Rose Fulbright Australia has confirmed that there is no conflict of interest situation in its capacity as the legal adviser to our material foreign subsidiaries as to the laws of Australia in relation to our Listing.

12.3.5 Declaration by Norton Rose Fulbright LLP

Norton Rose Fulbright LLP has confirmed that it acts for BPHCL (and its subsidiaries, limited partnerships, other companies with common ownership and subsidiaries of such companies) ("**Battersea Group**") and the Battersea Group and each direct shareholder of Battersea Group has confirmed that it can act in the capacity as the legal adviser to our material foreign subsidiaries and joint ventures as to English law in relation to our Listing. Otherwise, Norton Rose Fulbright LLP further confirms that there is no conflict of interest situation in its capacity as the legal adviser to our material foreign subsidiaries and joint ventures as to English law in relation to our Listing.

12.3.6 Declaration by Appleby

Appleby has confirmed that there is no conflict of interest situation in its capacity as the legal adviser to our material foreign joint ventures as to the laws of Jersey in relation to our Listing.

12.3.7 Declaration by Norton Rose Fulbright Hong Kong

Norton Rose Fulbright Hong Kong has confirmed that there is no conflict of interest situation in its capacity as the legal adviser to our material foreign subsidiaries as to the laws of Hong Kong in relation to our Listing.

12.3.8 Declaration by Norton Rose Fulbright (Asia) LLP

Norton Rose Fulbright (Asia) LLP has confirmed that there is no conflict of interest situation in its capacity as the legal adviser to our material foreign subsidiaries and associates as to the laws of Singapore in relation to our Listing.

12.3.9 Declaration by CH Williams Talhar & Wong Sdn Bhd

CH Williams Talhar & Wong Sdn Bhd has confirmed that there is no conflict of interest situation in its capacity as the Independent Registered Valuer in relation to the material Malaysian properties in relation to our Listing.

12. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

12.3.10 Declaration by Jones Lang Wootton

Jones Lang Wootton has confirmed that there is no conflict of interest situation in its capacity as the Independent Registered Valuer in relation to the material Malaysian properties in relation to our Listing.

12.3.11 Declaration by Khong & Jaafar Sdn Bhd

Khong & Jaafar Sdn Bhd has confirmed that there is no conflict of interest situation in its capacity as the Independent Registered Valuer in relation to the material Malaysian properties in relation to our Listing.

12.3.12 Declaration by Rahim & Co International Sdn Bhd

Rahim & Co International Sdn Bhd has confirmed that there is no conflict of interest situation in its capacity as the Independent Registered Valuer in relation to the material Malaysian properties in relation to our Listing.

12.3.13 Declaration by LanMark White (Gold Coast) Ptd Ltd

LanMark White (Gold Coast) Ptd Ltd has confirmed that there is no conflict of interest situation in its capacity as the Independent Registered Valuer in relation to the material Australian property in relation to our Listing.

12.3.14 Declaration by Jones Lang LaSalle Limited

Jones Lang LaSalle Limited has confirmed that there is no conflict of interest situation in its capacity as the Independent Registered Valuer in relation to the material United Kingdom properties in relation to our Listing.

12.3.15 Declaration by Frost & Sullivan

Frost & Sullivan has confirmed that there is no conflict of interest situation in its capacity as the Independent Market Research Consultant in relation to our Listing.

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13. FINANCIAL INFORMATION

13.1 HISTORICAL FINANCIAL INFORMATION

You should read the following historical financial information for the periods and as at the dates indicated below in conjunction with the "Management's Discussion and Analysis of Financial Condition, Results of Operations and Prospects" as set out in Section 13.2 of this Prospectus and our historical financial statements and the accompanying notes as set out in the Accountants' Report included in Section 14 of this Prospectus. Our financial statements for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017 have been prepared in accordance with the MFRS, IFRS, and we have adopted MFRS 15 'Revenue from contracts with customers' in the preparation of our historical financial statements for the financial years under review.

The following selected historical consolidated financial data as at and for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017 have been extracted from the Accountants' Report included in Section 14 of this Prospectus.

The following table sets out the historical consolidated statements of comprehensive income for our Group for the past three FYEs 30 June 2015, 30 June 2016 and 30 June 2017.

	Audited		
	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
Revenue	3,253,933	2,590,737	2,564,399
Direct expenses	(2,127,815)	(1,620,027)	(1,728,324)
Gross profit	1,126,118	970,710	836,075
Indirect expenses	(502,731)	(542,781)	(501,205)
Other operating income	258,227	539,811	164,898
Other (losses)/gains	(100)	5,384	(772)
Operating profit	881,514	973,124	498,996
Share of results of joint ventures	(74,953)	(19,053)	278,952
Share of results of associates	14,291	24,348	39,701
Profit before interest and taxation	820,852	978,419	817,649
Finance income	24,406	18,343	22,765
Finance costs	(104,828)	(38,630)	(3,604)
Profit before taxation	740,430	958,132	836,810
Taxation	(150,577)	(210,289)	(154,547)
Profit for the financial year from continuing operations	589,853	747,843	682,263
Profit for the financial year from discontinuing operations	98,367	206,915	26,838
Profit for the financial year	688,220	954,758	709,101
Other comprehensive income / (loss)			
Items that will subsequently be reclassified to profit or loss (net of tax):			
Currency translation differences	69,234	(108,476)	67,892
Available-for-sale financial assets:			
- net changes in fair value	(5,574)	(3,369)	(2,389)
Share of other comprehensive (loss)/income of associates	(3,655)	555	(3,282)

13. FINANCIAL INFORMATION (Cont'd)

	Audited		
	FYE 30 June		
	2015	2016	2017
Currency translation differences reclassified to profit or loss on:			
- disposal of subsidiaries	-	(9,664)	(6,382)
- liquidation of subsidiaries	857	(5,110)	-
Total other comprehensive income/(loss) for the financial year	60,862	(126,064)	55,839
Total comprehensive income for the financial year	749,082	828,694	764,940
Profit for the financial year attributable to:			
Owners of our Company			
- from continuing operations	560,809	749,076	607,926
- from discontinuing operations	59,020	124,149	16,103
Non-controlling interests	68,391	81,533	85,072
Profit for the financial year	688,220	954,758	709,101
Total comprehensive income for the financial year attributable to:			
Owners of our Company:			
- from continuing operations	622,585	624,999	658,623
- from discontinuing operations	59,020	124,149	16,103
Non-controlling interests	67,477	79,546	90,214
Total comprehensive income for the financial year	749,082	828,694	764,940
Other selected financial data:			
Gross profit margin (%) ⁽¹⁾	34.6	37.5	32.6
Depreciation of property, plant and equipment and investment properties	59,456	57,530	54,762
Amortisation of prepaid lease rental and intangible assets	3,054	2,480	2,438
Profit before tax margin (%) ⁽²⁾	22.8	37.0	32.6
Profit after tax margin (%) ⁽³⁾	21.15	36.85	27.65
Basic and diluted EPS (sen) ⁽⁴⁾			
- from continuing operations	56.1	74.9	60.8
- from discontinuing operations	5.9	12.4	1.6
	62.0	87.3	62.4

Notes:

- (1) Computed based on gross profit divided by the total revenue of our Group.
(2) Computed based on profit before taxation divided by the total revenue of our Group.
(3) Computed based on profit for the financial year divided by the total revenue of our Group.
(4) Based on 1.0 billion ordinary shares issued for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017.

13. FINANCIAL INFORMATION (Cont'd)

The following table sets out the historical consolidated statements of financial position of our Group as at the FYEs 30 June 2015, 30 June 2016 and 30 June 2017.

	Audited		
	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
Non-current assets			
Property, plant and equipment	851,770	846,083	824,398
Investment properties	491,807	331,754	474,221
Inventories	1,273,330	1,247,630	1,227,225
Joint ventures	929,100	1,408,539	1,967,983
Associates	548,075	571,617	138,596
Available-for-sale financial assets	52,099	48,730	46,341
Intangible assets	6,676	5,878	5,386
Deferred tax assets	550,344	489,164	452,521
Trade and other receivables	55,198	89,181	61,275
Contract assets ⁽¹⁾	650,939	1,440,291	-
Total non-current assets	5,409,338	6,478,867	5,197,946
Current assets			
Inventories	3,266,987	4,360,070	4,579,438
Prepaid lease rentals	53	-	-
Trade and other receivables	1,249,512	824,692	682,533
Contract assets ⁽¹⁾	406,899	342,166	167,862
Tax recoverable	63,055	41,167	27,818
Cash held under Housing Development Accounts	556,072	610,020	581,049
Bank balances, deposits and cash	250,143	295,990	494,211
Total current assets	5,792,721	6,474,105	6,532,911
Assets held for sale	133,710	-	2,222,866
	5,926,431	6,474,105	8,755,777
Total assets	11,335,769	12,952,972	13,953,723
Equity			
Share capital	1,004,741	1,010,409	2,405,496
Share premium	469,323	1,030,493	-
Contribution from immediate holding company	1,500,000	1,500,000	1,500,000
Reserves	168,499	44,422	94,691
Retained earnings	1,127,298	1,748,533	2,322,990
Total equity attributable to:			
Owners of our Company	4,269,861	5,333,857	6,323,177
Non-controlling interests	105,741	174,510	264,724
Total equity	4,375,602	5,508,367	6,587,901

13. FINANCIAL INFORMATION (Cont'd)

	Audited		
	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
Non-current liabilities			
Borrowings	1,630,109	1,953,307	938,727
Provisions	-	253,620	160,923
Contract liabilities	264,971	265,646	260,746
Deferred tax liabilities	119,291	174,752	33,880
Loans due to related companies	2,721,834	2,335,984	2,229,691
Other payables	1,267	481	136
Total non-current liabilities	4,737,472	4,983,790	3,624,103
Current liabilities			
Trade and other payables	1,969,871	2,230,150	2,047,605
Borrowings	104,400	187,385	230,154
Provisions	19,676	17,152	15,983
Contract liabilities	3,743	3,434	11,495
Tax payable	41,596	22,694	39,121
Total current liabilities	2,139,286	2,460,815	2,344,358
Liabilities associated with assets held for sale	83,409	-	1,397,361
	<u>2,222,695</u>	<u>2,460,815</u>	<u>3,741,719</u>
Total liabilities	6,960,167	7,444,605	7,365,822
Total equity and liabilities	11,335,769	12,952,972	13,953,723
Net assets ⁽²⁾	4,269,861	5,333,857	6,323,177
Net tangible assets ⁽³⁾	4,263,185	5,327,979	6,317,791
Net assets per Share (RM) ⁽⁴⁾	4.27	5.33	6.32
Net tangible assets per Share (RM) ⁽⁴⁾	4.26	5.33	6.32
Current ratio (times) ⁽⁵⁾	2.71	2.63	2.79
Gearing ratio I (times) ⁽⁶⁾	0.95	0.78	0.49
Gearing ratio II (times) ⁽⁷⁾	0.40	0.39	0.18

Notes:

- (1) Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to-date.
- (2) Being net assets attributable to ordinary shareholders (excluding non-controlling interests).
- (3) Net tangible assets are computed as net assets less intangible assets.
- (4) Based on 1.0 billion ordinary shares issued for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017.
- (5) Computed as current assets over current liabilities.
- (6) Computed as total borrowings (including interest-bearing inter-company loans and amount due to non-controlling interest) over total equity.
- (7) Computed as total external borrowings (excluding interest-bearing inter-company loans) over total equity.

13. FINANCIAL INFORMATION (Cont'd)

The following table sets out the historical consolidated statements of cash flows of our Group for the past three FYEs 30 June 2015, 30 June 2016 and 30 June 2017.

	Audited		
	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
Cash flows from operating activities			
Profit for the financial year from continuing operations	589,853	747,843	682,263
Adjustments for:			
Share of results of:			
- joint ventures	74,953	19,053	(278,952)
- associates	(14,291)	(24,348)	(39,701)
Depreciation of:			
- property, plant and equipment	44,671	47,083	47,960
- investment properties	14,785	10,447	6,802
Amortisation of:			
- prepaid lease rentals	408	53	-
- intangible assets	2,646	2,427	2,438
Impairment/(write-back of impairment) of:			
- property, plant and equipment	-	19,075	(16,052)
- investment properties	4,486	-	(1,878)
Inventories written down	-	-	148,998
Write-offs of:			
- property, plant and equipment	5,517	19	810
- investment properties	7,452	9	11
Net (gain)/loss on disposal of:			
- property, plant and equipment	(109)	(26,513)	(1,084)
- investment properties	(72,348)	(4,400)	(14,387)
- joint venture	(157,248)	-	-
- intangible assets	34	-	-
- subsidiaries	(6)	(447,026)	(130,359)
- assets held for sale	(9,585)	(39,711)	-
Other non-cash items	(12,884)	37,351	(15,609)
Finance income	(24,406)	(18,343)	(22,765)
Finance costs	104,828	38,630	3,604
Taxation	150,577	210,289	154,547
Unrealised foreign currency exchange losses	22	36	45
Provisions and contract liabilities	4,980	2,893	1,088
Write-back of payables and accruals	(478)	(8,101)	-
	713,857	566,766	527,779
Changes in working capital:			
- inventories	(781,976)	(662,017)	(431,273)
- trade and other receivables	(322,900)	282,694	50,197
- contract assets	(284,526)	97,065	145,041
- trade and other payables	552,517	40,889	220,345
- provisions and contract liabilities	(3,831)	367	(5,679)
Net changes in working capital	(840,716)	(241,002)	(21,369)
Cash (used in)/ generated from operations	(126,859)	325,764	506,410
Tax paid	(173,165)	(140,695)	(135,385)
Zakat paid	(1,000)	(1,000)	(1,000)
Dividend received from a joint venture ⁽¹⁾	-	-	119,229
Dividends received from associates ⁽¹⁾	9,000	1,800	131,800
Operating cash flows (used in)/ generated from continuing operations	(292,024)	185,869	621,054
Operating cash flows used in discontinuing operations	(229,451)	(306,602)	(127,380)
Net cash (used in)/generated from operating activities	(521,475)	(120,733)	493,674

13. FINANCIAL INFORMATION (Cont'd)

	Audited		
	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
Cash flows from investing activities			
Finance income received	22,572	18,343	22,765
Proceeds from sale of:			
- property, plant and equipment	294	35,653	3,137
- investment properties	156,123	4,400	15,852
- joint venture	15,700	143,160	-
- subsidiaries	6	587,465	222,355
- assets held for sale	12,247	52,504	-
Redemption of redeemable preference shares of joint venture	-	-	63,038
Purchase of:			
- property, plant and equipment	(70,263)	(49,180)	(26,298)
- investment properties	(1,336)	(1,136)	(109,344)
- intangible assets	(2,319)	(708)	(1,937)
Advances to joint ventures/associates	(39,380)	(31,931)	(53,374)
Subscription of shares in joint ventures	(299,818)	(631,532)	(394,505)
Investing cash flows (used in)/ generated from continuing operations	(206,174)	127,038	(258,311)
Investing cash flows from discontinuing operations	2,283	3,651	18,535
Net cash (used in)/generated from investing activities	(203,891)	130,689	(239,776)
Cash flows from financing activities			
Increase in:			
- share capital	3,045	5,668	78,777
- share premium	301,404	561,170	285,817
Drawdown of borrowings	355,169	115,330	171,912
Repayment of borrowings	(110,602)	(108,044)	(357,245)
Finance costs paid	(161,402)	(179,871)	(171,204)
Shareholder advances from non-controlling interest	-	-	76,800
Advances from/(repayment of advances to) related companies	163,401	(678,264)	(2,581)
Advances from/(repayment to) immediate holding company	200,104	250,074	(83,027)
Dividends paid	(201,255)	(251,098)	(50,000)
Purchase of additional interest in subsidiaries	-	(2,461)	-
Financing cash flows generated from/(used in) continuing operations	549,864	(287,496)	(50,751)
Financing cash flows generated from/(used in) discontinuing operations	266,414	353,374	(12,081)
Net cash generated from/(used in) financing activities	816,278	65,878	(62,832)
Net increase in cash and cash equivalents	90,912	75,834	191,066
Exchange differences	(23,890)	10,709	32,078
Cash and cash equivalents at the beginning of the financial year	752,445	819,467	906,010
Cash and cash equivalents at the end of the financial year	819,467	906,010	1,129,154

Note:

- (1) The dividends received from these joint venture and associates fall under operating activities as their respective business nature of property development and property investment are in-line with our business operations. Hence, the dividends received are deemed as return from the Group's business operations.

13. FINANCIAL INFORMATION (Cont'd)

13.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

In the following section, we discuss the historical consolidated financial information for our Group for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017. You should read the following discussion of our financial condition and results of operations together with our historical financial statements and the accompanying notes as set out in the Accountants' Report included in Section 14 of this Prospectus.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of any number of factors. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 5 of this Prospectus.

13.2.1 Overview

We are a property developer with a focus in Malaysia. Our property development business is complemented by our involvement in two other business segments namely, property investment and leisure and hospitality.

(a) Property development

We have been involved in the property development business for over 40 years and have a strong track record of developing landed to strata properties covering residential, offices, retail and industrial developments. We are also present in the United Kingdom through the development of Battersea Power Station, a project under a joint venture with S P Setia and the EPF.

Over the years, we have established ourselves as a Malaysian developer of townships where vibrant communities and neighbourhoods emerge and grow. The product of our development philosophy can be seen in how our earliest townships, Taman Melawati and Subang Jaya, have evolved since the 1970s. Today, these mature townships continue to be sought after addresses and remain as vibrant population centres. Some of our current major ongoing township developments include the City of Elmina in Shah Alam, Serenia City in Sepang and Bandar Bukit Raja in Klang.

Since 2008, we have also diversified into integrated and niche developments. Our integrated developments consist of 2 or more revenue-generating components such as retail, office or residential. An example would be Oasis Damansara - an integrated development consisting of Oasis Square, Sime Darby Plantation Tower, Oasis Corporate Park and Oasis AutoNexus. Spanning across 85.1 acres of freehold land, it is the largest integrated development in Petaling Jaya North. Meanwhile, our niche developments are carried out as stand-alone developments targeting specific demographics of urban population.

Please refer to Section 7.5 of this Prospectus for details of our major property development projects.

13. FINANCIAL INFORMATION (Cont'd)

(b) Property investment

Under our property investment arm, we undertake leasing and property management services in respect of assets which are located in Malaysia, Singapore and the United Kingdom. As part of our strategy to grow our portfolio of assets (including those held under our joint venture), we have entered into a joint venture with Pronto, a subsidiary of CapitaMalls Asia, via a shareholders agreement dated 9 May 2012 to develop and manage Melawati Mall which is in Taman Melawati, Kuala Lumpur. Melawati Mall opened its doors to the public in July 2017 whereas KL East Gallery is targeted to open in the 4th quarter of 2018. KL East Gallery is being developed by SD Melawati and will be managed by SD Property (Sungai Kapar), both of which are our wholly-owned subsidiaries. These retail developments will form the key components of our property investment portfolio.

(c) Leisure and hospitality

Under our leisure and hospitality arm, we manage our hospitality and leisure assets which include Sime Darby Convention Centre in Kuala Lumpur, TPC Kuala Lumpur (formerly known as Kuala Lumpur Golf and Country Club), Impian Golf and Country Club at Kalang, Selangor, Darby Park Serviced Residences in Margaret River in Australia, Darby Park Executive Suites in Singapore and Darby Park Serviced Residences in Vietnam.

In addition, as a catalyst project for our property development business in northern Johor area, we have undertaken a concession project to develop Pagoh Education Hub ("PEH") in our Bandar Universiti Pagoh, Johor, to generate a one-off construction business for our Group. The PEH was the first and sole project of that nature undertaken by us and we do not expect to undertake similar type of concession project in the future as part of our strategies and business plan.

13.2.2 Significant accounting judgments and estimates

We have prepared our consolidated financial statements for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017 in accordance with the MFRS and IFRS.

The preparation of financial statements in conforming to MFRS requires the use of certain critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. We exercise our judgement in the process of applying our Group's accounting policies. Estimates and assumptions are based on our best knowledge of current events. Such estimates and judgement could change from period to period and have a material impact on the results, financial position, cash flows and other disclosures.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

a. Revenue recognition from property development activities

Revenue is recognised as and when the control of the asset is transferred to our customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

13. FINANCIAL INFORMATION *(Cont'd)*

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of that performance obligation based on the certified work-to-date corroborated by the level of completion of the development based on actual costs incurred to-date over the estimated total property development costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists.

b. **Deferred tax assets**

Deferred tax assets arose mainly from property development, unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences or unutilised tax losses and tax credits can be utilised. This involves judgement regarding the future taxable profits of a particular entity in which the deferred tax asset has been recognised.

Deferred tax assets relating to property development are mainly attributable to unrealised profits reversed at the Group's level, which arose from disposal of lands within the Group, that were subject to tax. Deferred taxation on unrealised profits are recognised in the profit or loss upon sales of developed units to the customers.

The future taxable profits are determined based on the expected future profits arising from the Group's property development projects including other income expected to be generated from these projects. In evaluating whether it is probable that future taxable profits will be available in future periods, all available evidences were considered, including the approved budgets and analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and measurement of the Group's performance.

13.2.3 **Significant factors affecting our results of operations and financial condition**

The primary factors that have affected and are expected to continue to affect our results of operations include but are not limited to the following:

(i) Performance of the property development sector

Our property development activities in Malaysia have been the principal contributors to our earnings, which contributed approximately 92.1%, 90.1% and 93.3% of our Group's total revenue for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017, respectively.

Accordingly, factors which affect the performance of the Malaysian property sector would affect our results of operations and prospects. These would include factors such as a low or slowing rate of GDP growth, monetary tightening policies by the government which would increase interest rates and borrowing costs, negative consumer sentiment as well as decrease in market rental yields. These factors would contribute towards a lower take-up rate and lower selling prices of our properties.

13. FINANCIAL INFORMATION (Cont'd)

(ii) Volatility in the cost of construction materials and labour cost

Our profitability may be affected by fluctuating construction costs, which is a challenge faced by industry participants. As we do not have an internal construction unit, the construction works are being contracted out to the external contractors who supply the construction materials, labour and/or equipment to develop our property development projects. If there is no fixed fee contract entered into between the external contractors and us, any increase in the cost of construction materials, labour and/or equipment will be borne by us as developer. This will contribute to an increase in our operating costs and a decrease in our profit margins if we are unable to pass such additional costs to our customers in the form of higher selling prices or obtain better competitive quotes from the external contractors.

(iii) External factors that affect the launch of projects, the completion of projects and cause the incurrence of additional costs to projects

We are obligated, under the contracts entered into with our customers, to deliver completed properties within stipulated timeframe. Any delay in completion could result in penalties in the form of liquidated and ascertained damages payable to our customers.

The property development activities are governed by various regulations, approvals, permits as well as conditions imposed by various authorities. Any delay in obtaining the requisite approvals or permits or to comply with the relevant regulations or conditions imposed by the relevant authorities may result in a delay in launching of new projects or in handing over of vacant possession of properties to our customers. Additional requirements imposed by the relevant authorities may result in higher cost of business i.e. wider road, additional public amenities and other contributions imposed by local authorities. Poor performance of the contractors as well as various other non-controllable factors may also result in delays in the completion of projects or the incurrence of additional costs to projects.

(iv) Foreign currency exchange rate fluctuation

As we have material operations in Singapore and United Kingdom, our cash flow and results will be impacted by any fluctuation of the currency exchange rate. As our source of investment is from Malaysia and in RM, any strengthening in foreign currency will entail higher investment cost required in RM while any weakening in the foreign currencies against RM may have a negative impact on our results of operations and financial position.

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13. FINANCIAL INFORMATION

13.2.4 Principal components of our historical statement of comprehensive income

The table below sets out the revenue, cost of sales and gross profit analysis by projects for the respective financial years:

	Revenue			Cost of sales			Gross profit			Gross profit margin		
	FYE 30 June			FYE 30 June			FYE 30 June			FYE 30 June		
	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 %	2016 %	2017 %
Property development												
<i>Klang Valley</i>												
Ara Damansara	334,168	222,965	434,718	269,309	204,831	375,979	64,859	18,134	58,739	19.4	8.1	13.5
Bandar Bukit Raja	833,489	331,317	215,635	546,211	180,558	129,077	287,278	150,759	86,558	34.5	45.5	40.1
Bukit Jelutong	73,794	24,810	22,819	39,696	18,717	21,596	34,098	6,093	1,223	46.2	24.6	5.4
City of Elmina: Elmina East & West	672,336	362,104	353,361	393,398	207,354	268,938	278,938	154,750	84,423	41.5	42.7	23.9
City of Elmina: Denai Alam	175,444	88,148	76,205	101,358	48,024	14,974	74,086	40,124	61,231	42.2	45.5	80.4
KL East	111,346	115,715	135,199	95,953	96,737	136,144	15,393	18,978	(945)	13.8	16.4	(0.7)
Putra Heights	91,135	51,685	133,648	84,740	32,413	124,264	6,395	19,272	9,384	7.0	37.3	7.0
Saujana Impian	18,284	45,661	30,958	14,691	36,544	25,001	3,593	9,117	5,957	19.7	20.0	19.2
Semenyih	311	242,265	433,954	112	57,446	11,461	199	184,819	422,493	64.0	76.3	97.4
Serenia City	1,252	391,189	41,101	3,329	265,101	23,721	(2,077)	126,088	17,380	(165.9)	32.2	42.3
Subang Jaya City Centre	36,319	21,834	1,248	48,527	23,439	3,065	(12,208)	(1,605)	(1,817)	(33.6)	(7.4)	(145.6)
<i>Negeri Sembilan</i>												
Bandar Ainsdale	132,462	95,263	52,570	120,582	87,656	47,682	11,880	7,607	4,888	9.0	8.0	9.3
Chemara Hills	38,047	32,745	35,404	25,399	31,396	34,440	12,648	1,349	964	33.2	4.1	2.7
Nilai Impian	248,736	199,298	175,951	165,014	150,955	123,344	83,722	48,343	52,607	33.7	24.3	29.9

13. FINANCIAL INFORMATION (Cont'd)

	Revenue			Cost of sales			Gross profit			Gross profit margin		
	FYE 30 June			FYE 30 June			FYE 30 June			FYE 30 June		
	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 %	2016 %	2017 %
<i>Johor</i>												
Bandar Universiti Pagoh	37,795	22,887	62,739	25,360	16,847	45,664	12,435	6,040	17,075	32.9	26.4	27.2
Taman Pasir Putih	156,658	62,830	17,818	61,910	33,287	21,927	94,748	29,543	(4,109)	60.5	47.0	(23.1)
Others	36,209	24,568	168,330	23,513	15,738	237,784	12,696	8,830	(69,454)	35.1	35.9	(41.3)
Sub-Total	2,997,785	2,335,284	2,391,658	2,019,102	1,507,043	1,645,061	978,683	828,241	746,597	32.6	35.5	31.2
Property investment												
<i>Klang Valley</i>												
Wisma Zuellig	2,045	-	-	287	221	200	1,758	(221)	(200)	86.0	-	-
Wisma Guthrie	1,622	2,684	2,641	1,424	1,274	1,130	198	1,410	1,511	12.2	52.5	57.2
Oasis Square	14,042	13,979	13,984	9,579	7,667	10,098	4,463	6,312	3,886	31.8	45.2	27.8
Wisma Sime Darby	18,968	19,943	19,826	18,333	18,255	17,207	635	1,688	2,619	3.3	8.5	13.2
<i>Singapore</i>												
Sime Darby Business Centre	15,861	18,573	4,555	3,351	3,623	985	12,510	14,950	3,570	78.9	80.5	78.4
Sime Darby Centre	19,847	22,077	-	3,759	4,846	-	16,088	17,231	-	81.1	78.0	-
Sime Darby Enterprise Centre	5,624	5,816	-	1,354	1,580	-	4,270	4,236	-	75.9	72.8	-
<i>United Kingdom</i>												
160 Dundee Street, Edinburgh	7,914	6,204	5,877	3,045	2,683	2,108	4,869	3,521	3,769	61.5	56.8	64.1
Others	6,204	5,606	7,654	(1,276)	(1,741)	(82)	7,480	7,347	7,736	120.6	131.1	101.1
Sub-Total	92,127	94,882	54,537	39,856	38,408	31,646	52,271	56,474	22,891	56.7	59.5	42.0

13. FINANCIAL INFORMATION (Cont'd)

	Revenue			Cost of sales			Gross profit			Gross profit margin		
	FYE 30 June			FYE 30 June			FYE 30 June			FYE 30 June		
	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 %	2016 %	2017 %
Leisure and hospitality												
<u>Klang Valley</u>												
Saujana Impian Golf & Country Club	5,702	5,500	5,958	4,608	4,571	4,040	1,094	929	1,918	19.2	16.9	32.2
Sime Darby Convention Centre	20,848	26,800	27,331	15,269	17,202	18,544	5,579	9,598	8,787	26.8	35.8	32.1
TPC Kuala Lumpur	49,412	50,190	53,884	12,576	13,828	13,319	36,836	36,362	40,565	74.5	72.4	75.3
<u>Melaka</u>												
Equatorial Hotel	43,701	38,398	-	16,216	18,511	-	27,485	19,887	-	62.9	51.8	-
<u>Pahang</u>												
Genting View Resort	4,430	4,377	2,998	3,309	4,134	2,763	1,121	243	235	25.3	5.6	7.8
<u>Australia</u>												
Darby Park Serviced Residences, Margaret River	6,595	6,427	6,614	2,521	2,525	2,611	4,074	3,902	4,003	61.8	60.7	60.5
Darby Park Serviced Residences, Subiaco	7,174	5,130	-	1,863	1,472	5	5,311	3,658	(5)	74.0	71.3	(100.0)
Karri Valley Resort	8,964	9,261	9,539	5,362	5,596	5,980	3,602	3,665	3,559	40.2	39.6	37.3

13. FINANCIAL INFORMATION (Cont'd)

	Revenue			Cost of sales			Gross profit			Gross profit margin		
	FYE 30 June			FYE 30 June			FYE 30 June			FYE 30 June		
	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)	2015 %	2016 %	2017 %
<i>Singapore</i>												
Darby Park Executive Suites	10,935	9,342	9,348	3,251	3,440	3,033	7,684	5,902	6,315	70.3	63.2	67.5
<i>Vietnam</i>												
Darby Park Serviced Residences	3,056	2,329	1,923	1,143	1,117	1,022	1,913	1,212	901	62.6	52.0	46.8
Others	3,204	2,817	609	2,739	2,180	300	465	637	309	14.5	22.6	51.2
Sub-Total	164,021	160,571	118,204	68,857	74,576	51,617	95,164	85,995	66,587	58.0	53.6	56.3
Total	3,253,933	2,590,737	2,564,399	2,127,815	1,620,027	1,728,324	1,126,118	970,710	836,075	34.6	37.5	32.6

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13. FINANCIAL INFORMATION (Cont'd)

The following describes the principal components of the historical consolidated statement of comprehensive income of our Group for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017 which are not necessarily indicative of the principal components of the statement of comprehensive income of our Group to be expected for any future periods.

(i) Revenue

We derive revenue from the consideration received or receivable from the sale of goods and services in the ordinary course of our Group's activities. Revenue is shown net of discounts, allowances and indirect taxes.

The specific criteria to be met before revenue is recognised include the following:

(a) Revenue generated from property development activities

We derive revenue from the sale of properties we develop as well as land sales. Revenue is shown net of discounts, rebates and goods and services tax, and is recognised when or as the control of the asset is transferred to our customers. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when our customers obtain control of the asset. The progress completion of property development activity is measured by the completion of a physical proportion of contract work to-date.

(b) Revenue generated from property investment activities

We derive revenue from our property investment activities from rental of investment properties. Revenue is recognised on an accrual basis in accordance with the substance of the relevant agreements, unless collectability is in doubt, in which case the recognition of such income is suspended. Other property investment related income including property management services and car park rental, is recognised in the accounting period in which the services are rendered.

(c) Revenue generated from leisure and hospitality activities

We derive revenue from our leisure and hospitality activities principally from sales of food and beverage, hotel and function room rentals and golf course operations. Revenue is recognised upon delivery of products (for example, revenue generated from sale of food and beverage) and customer acceptance and/or performance of services (for example revenue generated from hotel room rental, function room rental and golf course operations), net of goods and services tax and discounts, in accordance with the terms of the sale and purchase agreements or contract or prescribed sales terms.

13. FINANCIAL INFORMATION (Cont'd)

The tables below set out the revenue analysis by activities and geographical location for the respective financial years under review:

Revenue analysis by activities

	FYE 30 June					
	2015		2016		2017	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property development	2,997,785	92.1	2,335,284	90.1	2,391,658	93.3
Property investment	92,127	2.8	94,882	3.7	54,537	2.1
Leisure and hospitality	164,021	5.1	160,571	6.2	118,204	4.6
Total	3,253,933	100.0	2,590,737	100.0	2,564,399	100.0

Our property development activities contributed approximately 92.1%, 90.1% and 93.3% of our Group's total revenue for the FYE 30 June 2015, 30 June 2016 and 30 June 2017, respectively. The total revenue decreased by RM663.20 million or 20.4% from RM3,253.93 million for the FYE 30 June 2015 to RM2,590.74 million for the FYE 30 June 2016, whilst total revenue decreased by RM26.3 million or 1.0% from RM2,590.74 million for the FYE 30 June 2016 to RM2,564.40 million for the FYE 30 June 2017.

Revenue analysis by geographical location

	FYE 30 June					
	2015		2016		2017	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
<u>Malaysia</u>						
Property development	2,995,986	92.1	2,333,611	90.1	2,371,984	92.5
Property investment	40,258	1.2	39,594	1.5	40,030	1.6
Leisure and hospitality	127,297	3.9	128,082	4.9	90,780	3.5
<u>Singapore</u>						
Property investment	43,256	1.3	48,632	1.9	8,427	0.3
Leisure and hospitality	10,935	0.3	9,342	0.4	9,348	0.4
<u>Australia</u>						
Property development	1,799	0.1	1,673	0.1	19,674	0.8
Leisure and hospitality	22,733	0.7	20,818	0.8	16,153	0.6
<u>United Kingdom</u>						
Property investment	8,613	0.3	6,656	0.2	6,080	0.2
<u>Vietnam</u>						
Leisure and hospitality	3,056	0.1	2,329	0.1	1,923	0.1
Total	3,253,933	100.0	2,590,737	100.0	2,564,399	100.0

13. FINANCIAL INFORMATION (Cont'd)

(ii) Cost of sales / Direct expenses

Our costs of sales comprise the direct expenses for property development, property investment, and leisure and hospitality activities.

Property development activities

Cost of sales in our property development activities consists of land and land related costs, costs of main infrastructure and landscaping and direct development costs. In addition to the development costs, cost of sales also comprises liquidated and ascertained damages costs incurred due to any delay in hand-over of properties to our customers, if any, fees of other professional advisors as well as statutory contributions, promotion and marketing expenses. Borrowing costs incurred on borrowings directly associated with property development activities up to completion is capitalised and included as part of property development cost.

The construction works for all of our property development projects are outsourced to external contractors, who will supply the construction materials, labour and/or equipment to develop our property development projects. The selection of contractors is done via a bidding process. In the selection of successful bidders, we refer to, amongst other things, ability to complete projects within timeline, technical competencies, financial strengths, experience and such other criteria pre-determined by our management.

Key components of our property development costs include:

(a) Land and land related costs

Land and land related costs comprise the land cost and associated land related costs such as conversion premium, quit rent and assessment, development charges as well as other statutory contributions payable to the relevant authorities. The bulk of these costs will need to be incurred before actual development work commences.

(b) Main infrastructure and landscaping costs

Main infrastructure and landscaping costs are usually the second biggest component of development costs incurred for property development activities. Earthworks is the biggest component of the main infrastructure costs and typically account for 25% to 30% of this key component. The commencement of earthworks, which involves moving and excavation of massive quantities of soil, rocks, together with site clearing works and other associated works, usually indicates the commencement of the projects.

The other components of main infrastructure and landscaping costs include costs incurred for roadworks, drainage, sewerage, reservoir, water reticulation, electrical and telecommunication works and landscaping. The relevant main infrastructure works will need to be in place upon hand-over of completed properties to our customers.

13. FINANCIAL INFORMATION (Cont'd)**(c) Direct development costs**

Direct development costs is the biggest component of our property development costs. The main component of direct development costs is construction cost. Other costs include professional fees, processing and license fees to relevant authorities and soil investigation fee.

The construction costs is incurred for land which is earmarked for development and construction usually commences upon launching of our property product. The cost of building works which constitute the bulk of construction costs include cost of building materials like steel bars, ready mixed concrete, bricks, tiles and aluminium windows. Other components of building works costs includes costs of piling works and substructure and super-structure works for high-rise buildings.

(d) Finance Cost

Finance costs directly associated to property development activities are capitalised and included as part of property development costs.

Property investment activities

Cost of sales in our property investment activities comprises utilities and maintenance costs, rental, marketing expenses and property levies.

Utilities and maintenance costs are expenses incurred for the use of electricity and water charges, civil, electrical and mechanical maintenance costs for lifts and escalators, air-conditioning, security systems, facilities and infrastructure, sewerage systems, upkeep of the common areas and fire protection.

Property levies include the quit rent and assessment payable to the relevant authorities or local governments in relation to the properties.

Leisure and hospitality activities

Cost of sales in our leisure and hospitality activities comprises salaries and wages, maintenance expenses incurred to maintain and upkeep the buildings and golf courses, advertising and marketing costs, utilities charges as well as food and beverage costs.

The tables below set out the cost of sales analysis by activities and geographical location for the respective financial years under review.

Cost of sales analysis by activities

	FYE 30 June					
	2015		2016		2017	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property development	2,019,102	94.9	1,507,043	93.0	1,645,061	95.2
Property investment	39,856	1.9	38,408	2.4	31,646	1.8
Leisure and hospitality	68,857	3.2	74,576	4.6	51,617	3.0
Total	2,127,815	100.0	1,620,027	100.0	1,728,324	100.0

13. FINANCIAL INFORMATION (Cont'd)Cost of sales analysis by geographical location

	FYE 30 June					
	2015		2016		2017	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
<u>Malaysia</u>						
Property development	2,017,574	94.7	1,505,157	92.9	1,630,992	94.4
Property investment	30,689	1.4	27,476	1.7	28,659	1.6
Leisure and hospitality	54,717	2.6	60,426	3.7	38,965	2.3
<u>Singapore</u>						
Property investment	5,902	0.3	8,105	0.5	778	0.1
Leisure and hospitality	3,251	0.2	3,440	0.2	3,033	0.1
<u>Australia</u>						
Property development	1,528	0.1	1,886	0.1	14,069	0.8
Leisure and hospitality	9,746	0.5	9,593	0.6	8,597	0.5
<u>United Kingdom</u>						
Property investment	3,265	0.1	2,827	0.2	2,209	0.1
<u>Vietnam</u>						
Leisure and hospitality	1,143	0.1	1,117	0.1	1,022	0.1
Total	2,127,815	100.0	1,620,027	100.0	1,728,324	100.0

(iii) Gross profit / Gross profit margin

The tables below set out our Group's gross profit and gross profit margin analysis by activities and geographical location for the respective financial years under review.

Gross profit analysis by activities

	FYE 30 June					
	2015		2016		2017	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property development	978,683	86.9	828,241	85.3	746,597	89.3
Property investment	52,271	4.6	56,474	5.8	22,891	2.7
Leisure and hospitality	95,164	8.5	85,995	8.9	66,587	8.0
Total	1,126,118	100.0	970,710	100.0	836,075	100.0

13. FINANCIAL INFORMATION (Cont'd)Gross profit margin analysis by activities

	FYE 30 June		
	2015	2016	2017
	%	%	%
Property Development	32.6	35.5	31.2
Property Investment	56.7	59.5	42.0
Leisure and Hospitality	58.0	53.6	56.3
Overall	34.6	37.5	32.6

Gross profit analysis by geographical location

	FYE 30 June					
	2015		2016		2017	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
<u>Malaysia</u>						
Property development	978,412	86.9	828,454	85.3	740,992	88.6
Property investment	9,569	0.8	12,118	1.2	11,371	1.3
Leisure and hospitality	72,580	6.4	67,656	7.0	51,815	6.2
<u>Singapore</u>						
Property investment	37,354	3.3	40,527	4.2	7,649	0.9
Leisure and hospitality	7,684	0.7	5,902	0.6	6,315	0.8
<u>Australia</u>						
Property development	271	-*	(213) ⁽¹⁾	-*	5,605	0.7
Leisure and hospitality	12,987	1.2	11,225	1.2	7,556	0.9
<u>United Kingdom</u>						
Property investment	5,348	0.5	3,829	0.4	3,871	0.5
<u>Vietnam</u>						
Leisure and hospitality	1,913	0.2	1,212	0.1	901	0.1
Total	1,126,118	100.0	970,710	100.0	836,075	100.0

Notes:

* Negligible

(1) The gross loss is primarily due to no sale of properties during the FYE 30 June 2016 and the revenue generated from the maintenance fees charged for its residential and commercial units were not sufficient to cover direct staff cost and other cost of sales to provide the maintenance services.

13. FINANCIAL INFORMATION (Cont'd)

Gross profit margin analysis by geographical location

	FYE 30 June		
	2015	2016	2017
	%	%	%
<u>Malaysia</u>			
Property development	32.7	35.5	31.2
Property investment	23.8	30.6	28.4
Leisure and hospitality	57.0	52.8	57.1
<u>Singapore</u>			
Property investment ⁽¹⁾	86.4	83.3	90.8
Leisure and hospitality	70.3	63.2	67.5
<u>Australia</u>			
Property development	15.0	(12.7)	28.5
Leisure and hospitality	57.1	53.9	46.8
<u>United Kingdom</u>			
Property investment ⁽¹⁾	62.1	57.5	63.7
<u>Vietnam</u>			
Leisure and hospitality	62.6	52.0	46.9
Overall	34.6	37.5	32.6

Note:

(1) The higher gross profit margin for our property investments in Singapore and United Kingdom is mainly due to minimal direct costs for our properties in these countries such as property taxes, insurance and agent management fees. For majority of our properties in Malaysia, direct costs include quit rent, assessment and insurances, maintenance costs such as lift maintenance, air-conditioning, gen-set, pest control and other common property maintenance costs are under the responsibility of landlord. In addition, as Wisma Sime Darby is a leased property, the direct cost for Wisma Sime Darby is lease payable and hence, it contributes a relatively lower gross profit compared to other properties.

(iv) **Indirect expenses including administrative, marketing and selling and other operating expenses**

These expenses comprise mainly staff costs, directors' remuneration, advertising and promotion expenses, repair and maintenance expenses, rental of land and buildings, depreciation expenses and other operating expenses which include impairment of property, plant and equipment, impairment of investment property and impairment of receivables.

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June					
	2015		2016		2017	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Advertising and promotion	38,007	7.6	38,459	7.1	45,614	9.1
Audit fees	2,055	0.4	2,223	0.4	2,046	0.4
Depreciation and amortisation	62,510	12.4	60,010	11.1	57,200	11.4
Directors' remuneration	961	0.2	1,199	0.2	1,185	0.2
Donation and corporate social responsibility expenses	13,400	2.7	14,434	2.6	5,479	1.1
Financial charges	750	0.1	1,857	0.3	780	0.2
Hire of plant and machinery	5,477	1.1	3,350	0.6	3,803	0.8
Impairment/(write-back of impairment) of:						
- investment properties	4,486	0.9	-	-	(1,878)	(0.4)
- property, plant and equipment	-	-	19,075	3.5	(16,052)	(3.2)
- trade and other receivables	(12,101)	(2.4)	35,573	6.5	(14,054)	(2.8)
- amounts due from a related company	-	-	1,555	0.3	(1,555)	(0.3)
Legal and professional fee	21,499	4.3	27,494	5.1	34,928	7.0
Loss on disposal of:						
- property, plant and equipment	63	-*	1,422	0.3	-	-
- intangible assets	34	-*	-	-	-	-
Loss on liquidation of subsidiaries	-	-	155	-*	-	-
Management fees	17,172	3.4	16,020	3.0	19,509	3.9
Outsourcing services	18,797	3.7	18,814	3.5	24,437	4.9
Petrol, toll, parking and travelling expenses	4,744	0.9	4,988	0.9	3,839	0.8
Postage, printing and stationery	4,490	0.9	4,777	0.9	4,190	0.8
Rental of land and buildings	6,678	1.3	6,366	1.2	6,131	1.2
Repair and maintenance	54,272	10.8	52,933	9.8	51,375	10.3
Staff cost	194,721	38.7	186,511	34.4	213,824	42.7
Utilities, insurance and upkeep and maintenance	22,561	4.5	22,105	4.0	19,875	4.0
Write-offs of:						
- investment properties	7,452	1.5	9	-*	11	-*
- property, plant and equipment	5,517	1.1	19	-*	810	0.2
- trade and other receivables	72	-*	68	-*	-	-
Others	29,114	5.9	23,365	4.3	39,708	7.9
Total	502,731	100.0	524,781	100.0	501,205	100.0

Note:

* Negligible

13. FINANCIAL INFORMATION (Cont'd)**(v) Other operating income**

The other operating income mainly consists of gain on disposal of investment properties, gain on disposal of our subsidiaries or joint ventures, gain on disposal of fixed assets, other rental income, and forfeiture of deposits.

The following table sets out the key components of our other operating income for the respective financial years under review.

	FYE 30 June					
	2015		2016		2017	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Royalty income	1,396	0.5	1,930	0.4	643	0.4
Gain on disposal of:						
- property, plant and equipment	172	0.1	27,935	5.2	1,084	0.7
- investment properties	72,348	28.0	4,400	0.8	14,387	8.7
- joint venture	157,248	60.9	-	-	-	-
- subsidiaries	6	-*	447,026	82.8	130,359	79.1
- assets held for sale	9,585	3.7	39,711	7.4	-	-
Liquidated ascertained damages claims received	416	0.1	461	0.1	2,588	1.6
Write-back of:						
- payables and accruals	478	0.2	8,101	1.5	-	-
Other rental income	1,995	0.8	2,893	0.5	4,757	2.9
Forfeiture of deposits	2,777	1.1	1,882	0.3	1,046	0.6
Maintenance charges	1,883	0.7	-	-	39	-*
Non-refundable tender deposits	1,446	0.6	1,061	0.2	820	0.5
Recoveries and other miscellaneous income	8,477	3.3	4,411	0.8	9,175	5.5
Total	258,227	100.0	539,811	100.0	164,898	100.0

Note:

* *Negligible*

For the FYE 30 June 2015:

- (a) our gain on disposal of investment properties and assets held for sale mainly arose from our disposal of Subang Avenue Shopping Complex and Kompleks Perniagaan Kuarters KLIA as well as compulsory acquisition of investment land in Ampar Tenang, of RM56.5 million, RM8.9 million and RM12.0 million, respectively; and
- (b) our gain on disposal of joint venture of RM157.2 million arose from our disposal of 50% equity interest in our joint venture entity, Sime Darby Sunsuria Development Sdn Bhd.

13. FINANCIAL INFORMATION (Cont'd)

For the FYE 30 June 2016:

- (a) our gain on disposal of subsidiaries and assets held for sale mainly arose from:
- our disposal of 55% equity interest in our subsidiary, Syarikat Malacca Straits Inn Sdn Bhd (the entity which owns Equatorial Hotel, Melaka), of RM39.4 million; and
 - our disposal of the entire equity interest in our subsidiaries, Sime Darby Property (Dunearn) Private Limited and Sime Darby Property (Kilang) Private Limited, which own Sime Darby Centre and Sime Darby Enterprise Centre, respectively, of RM447.0 million; and
- (b) our gain on disposal of property, plant and equipment of RM27.9 million arose from our disposal of land held as property, plant and equipment by Sime Darby Property Holdings Sdn Bhd.

For the FYE 30 June 2017:

- (a) our gain on disposal of subsidiaries of RM130.4 million mainly arose from disposal of Sime Darby Property (Alexandra) Private Limited.
- (b) our gain on disposal of investment properties of RM14.4 million arose from disposal of Wynnstay Gardens by Sime Darby London Ltd.

(vi) **Other gains or losses**

Other gains or losses comprise realised and unrealised foreign currency exchange differences.

Our Group's unrealised losses on foreign currency exchange for the FYEs 30 June 2015 and 30 June 2017 mainly arose from the foreign currency transactions recorded at the rate of exchange at the date of the transaction compared to the rate at the end of each reporting period. Our Group's realised gain on foreign currency exchange for the FYE 30 June 2016 arose from the weakening in RM on the settlement date of the transactions as compared to the rate at the transaction date.

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13. FINANCIAL INFORMATION (Cont'd)**(vii) Share of results of joint ventures and associates**

Our Group has entered into several strategic partnerships for property development projects and property investment both locally and abroad. The material joint ventures and associates that contributed to our share of profit or loss of joint ventures and associates are BPHCL group of companies and Seriemas Development Sdn Bhd group of companies. The following table sets out the breakdown of our share of results of joint ventures and associates for the respective financial years under review.

	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
<u>Joint Ventures</u>			
Battersea Project Holding Company Ltd	(69,252)	(20,473)	139,467 ⁽¹⁾
Sime Darby Sunrise Development Sdn Bhd	398	1,417	6,274
Sime Darby CapitaMalls Asia (Melawati Mall) Sdn Bhd	(3,139)	(978)	(5,520)
PJ Midtown Development Sdn Bhd	(2,546)	414	1,753
Sime Darby Sunsuria Development Sdn Bhd	(414)	-	-
Sime Darby Real Estate Investment Trust 1	-	567	136,978
	<u>(74,953)</u>	<u>(19,053)</u>	<u>278,952</u>
<u>Associates</u>			
Seriemas Development Sdn Bhd	8,343	14,636	32,199
Shaw Brothers (M) Sdn Bhd	5,942	9,482	7,502
Bitaria Sdn Bhd	9	229	-
Mostyn Development Sdn Bhd	(2)	-	-
Kuantan Pahang Holding Sdn Bhd	(1)	1	-
	<u>14,291</u>	<u>24,348</u>	<u>39,701</u>

Note:

- (1) In the United Kingdom, revenue from property development is recognised upon completion and handing over of the units to the purchaser. For the FYEs 30 June 2015 and 2016, Phase 1 has not been completed and hence, no revenue was recognised whilst costs were incurred for marketing and overhead expenses which resulted in share of losses from BPHCL Group. For the FYE 30 June 2017, certain part of Phase 1 was completed and hence, revenue was recognised which resulted in share of profit from BPHCL Group.

13. FINANCIAL INFORMATION (Cont'd)**(viii) Profit before interest and tax ("PBIT")**

The tables below set out our Group's PBIT analysis by geographical location for the respective financial years under review.

PBIT analysis by geographical location

	FYE 30 June					
	2015		2016		2017	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
<u>Malaysia</u>						
Property development	848,714	103.4	535,492	54.8	435,600	53.3
Property investment	57,399	7.0	31,819	3.3	(10,102)	(1.2)
Leisure and hospitality	(30,521)	(3.7)	(35,145)	(3.6)	(6,505)	(0.8)
<u>Singapore</u>						
Property investment	21,569	2.6	471,744	48.2	248,061	30.3
Leisure and hospitality	(142)	-*	(1,669)	(0.2)	(2,391)	(0.3)
<u>Australia</u>						
Property development	(1,047)	(0.1)	(1,603)	(0.2)	4,758	0.6
Leisure and hospitality	(2,049)	(0.2)	(4,409)	(0.5)	(4,271)	(0.5)
<u>United Kingdom</u>						
Property development	(69,252)	(8.4)	(20,473)	(2.1)	139,467	17.0
Property investment	(3,012)	(0.4)	4,000	0.4	14,987	1.8
<u>Vietnam</u>						
Leisure and hospitality	(674)	-*	(1,180)	(0.1)	(1,620)	(0.2)
<u>Others^</u>						
Property development	(133)	-*	(157)	-*	(335)	-*
Total	820,852	100.0	978,419	100.0	817,649	100.0

Note:

* Negligible

^ Mainly attributed by SD Property (Hong Kong).

(ix) Finance income

Our finance income is mainly generated from the deposits and cash placed at financial institutions (including cash held under Housing Development Accounts).

(x) Finance costs

Our finance costs comprise mainly interest expenses incurred for loans or credit facilities granted by banks and financial institutions as well as borrowings from related companies. Finance costs directly associated to property development activities are capitalised and included as part of property development costs.

13. FINANCIAL INFORMATION (Cont'd)**(xi) Effective tax rate**

The tax expense comprises current income tax charge and deferred tax. The current income tax charge is the expected income tax payable in respect of the taxable profit for the financial year and is computed using the tax rates of the prevailing jurisdictions. The deferred tax primarily relates to the temporary difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Our profit after tax from continuing operations for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017 were RM589.85 million, RM747.84 million and RM682.26 million respectively.

We operate in a multi-jurisdictional tax environment and the corporate tax rates of the entities within our Group for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017 are as follows:

Entities incorporated in	2015	2016	2017
	(%)	(%)	(%)
Malaysia	25.0	24.0	24.0
Australia	30.0	30.0	27.5 – 30.0
Singapore	17.0	17.0	17.0
United Kingdom	20.0	20.0	19.0 - 20.0
Vietnam	20.0	20.0	20.0

(xii) Discontinuing operations

The PEH is a concession project where the contract sum is receivable by us via monthly charges payable over a period of 20 years commencing only after the completion of the construction of the project and receipt of the certificate of acceptance from our customers. The project commenced in May 2014 and its construction completed in May 2017. As the construction business is not our core business and the PEH has achieved its objective as a one-off catalyst project, subject to the approval from the Government, we will exit this business segment and divest the PEH concession companies after the expiry of the 5-year moratorium period from 7 November 2012, being the date of the concession agreements. After the 5-year moratorium period, the prior written consent of the Government (as represented by the Ministry of Higher Education) through Unit Kerjasama Awam Swasta is required for any change of shareholding of the PEH concession companies. As the criteria to recognise PEH as a discontinuing business in accordance to *MFRS 5 - Non-current Assets Held for Sale and Discontinued Operations* are being met, the results of the PEH are being presented as discontinuing operations.

13. FINANCIAL INFORMATION (Cont'd)

Analysis of the profit and loss of the discontinuing PEH operations is as follows:

	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
Revenue	370,331	780,352	51,395
Operating expenses	(260,683)	(559,337)	(48,469)
Other operating income	922	3,889	3,172
Operating profit / Profit before interest and tax	110,570	224,904	6,098
Finance income	19,598	44,714	94,752
Finance costs	(5,024)	(7,481)	(48,830)
Profit before taxation	125,144	262,137	52,020
Taxation	(26,777)	(55,222)	(25,182)
Net profit and total comprehensive income for the financial year from discontinuing operations	98,367	206,915	26,838
Net profit and total comprehensive income for the financial year attributable to owners of:			
- the Company	59,020	124,149	16,103
- non-controlling interests	39,347	82,766	10,735
	98,367	206,915	26,838

Analysis of the cash flows of the PEH discontinuing operations is as follows:

	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
Net cash used in discontinuing operations	(229,451)	(306,602)	(127,380)
Net investing cash from discontinuing operations	2,283	3,651	18,535
Net financing cash from/(used in) discontinuing operations	266,414	353,374	(12,081)
Net change in cash and cash equivalents from discontinuing operations	39,246	50,423	(120,926)
Cash and cash equivalents at beginning of the financial year from discontinuing operations	85,151	124,397	174,820
Cash and cash equivalents at end of the financial year from discontinuing operations	124,397	174,820	53,894

The total revenue from PEH is derived based on construction contracts which are measured at fair value of the monthly charges receivable over the agreed periods subsequent to the completion of the construction of PEH.

13. FINANCIAL INFORMATION (Cont'd)

The main component of the operating expenses is the construction cost for PEH which comprises costs of direct labour, materials, teaching equipment and construction of the structures and facilities including installation costs of a chill water supply treatment plant.

The finance income comprise mainly the accretion of interest in relation to the billing for the PEH, where the receipt of the contract sum is via payment of monthly charges over a period of 20 years commencing after the completion of the construction of the project.

13.2.5 Review of past performance**FYE 30 June 2017 compared to FYE 30 June 2016 (in respect of continuing operations)**

The following table summarises our consolidated statement of income information for the financial years indicated:

	FYE 30 June		Variance	
	2016 (RM'000)	2017 (RM'000)	(RM'000)	%
Revenue	2,590,737	2,564,399	(26,338)	(1.0)
Direct expenses	(1,620,027)	(1,728,324)	(108,297)	(6.7)
Gross profit	970,710	836,075	(134,635)	(13.9)
Indirect expenses	(542,781)	(501,205)	41,576	7.7
Other operating income	539,811	164,898	(374,913)	(69.5)
Other gains / (losses)	5,384	(772)	(6,156)	(114.3)
Operating profit	973,124	498,996	(474,128)	(48.7)
Share of results of joint ventures	(19,053)	278,952	298,005	1,564.1
Share of results of associates	24,348	39,701	15,353	63.1
Profit before interest and tax	978,419	817,649	(160,770)	(16.4)
Finance income	18,343	22,765	4,422	24.1
Finance costs	(38,630)	(3,604)	35,026	90.7
Profit before tax	958,132	836,810	(121,322)	(12.7)
Tax expenses	(210,289)	(154,547)	55,742	26.5
Profit for the financial year from continuing operations	747,843	682,263	(65,580)	(8.8)
Profit for the financial year from discontinuing operations	206,915	26,838	(180,077)	(87.0)
Profit for the financial year	954,758	709,101	(245,657)	(25.7)

13. FINANCIAL INFORMATION (Cont'd)**(i) Revenue***Revenue analysis by projects*

	FYE 30 June					
	2016		2017		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property development						
<i>Klang Valley</i>						
Ara Damansara	222,965	9.5	434,718	18.2	211,753	95.0
Bandar Bukit Raja	331,317	14.2	215,635	9.0	(115,682)	(34.9)
Bukit Jelutong	24,810	1.1	22,819	0.9	(1,991)	(8.0)
City of Elmina: Elmina East & West	362,104	15.5	353,361	14.8	(8,743)	(2.4)
City of Elmina: Denai Alam	88,148	3.8	76,205	3.2	(11,943)	(13.5)
KL East	115,715	5.0	135,199	5.7	19,484	16.8
Putra Heights	51,685	2.2	133,648	5.6	81,963	158.6
Saujana Impian	45,661	2.0	30,958	1.3	(14,703)	(32.2)
Semenyih	242,265	10.4	433,954	18.1	191,689	79.1
Serenia City	391,189	16.8	41,101	1.7	(350,088)	(89.5)
Subang Jaya City Centre	21,834	0.9	1,248	0.1	(20,586)	(94.3)
<i>Negeri Sembilan</i>						
Bandar Ainsdale	95,263	4.1	52,570	2.2	(42,693)	(44.8)
Chemara Hills	32,745	1.4	35,404	1.5	2,659	8.1
Nilai Impian	199,298	8.5	175,951	7.4	(23,347)	(11.7)
<i>Johor</i>						
Bandar Universiti Pagoh	22,887	1.0	62,739	2.6	39,852	174.1
Taman Pasir Putih	62,830	2.6	17,818	0.7	(45,012)	(71.6)
Others^	24,568	1.0	168,330	7.0	143,762	585.2
Sub-Total	2,335,284	100.0	2,391,658	100	56,374	2.4
Property investment						
<i>Klang Valley</i>						
Wisma Guthrie	2,684	2.8	2,641	4.8	(43)	(1.6)
Oasis Square	13,979	14.7	13,984	25.6	5	0.0
Wisma Sime Darby	19,943	21.0	19,826	36.4	(117)	(0.6)
<i>Singapore</i>						
Sime Darby Business Centre	18,573	19.6	4,555	8.4	(14,018)	(75.5)
Sime Darby Centre	22,077	23.3	-	-	(22,077)	(100.0)
Sime Darby Enterprise Centre	5,816	6.1	-	-	(5,816)	(100.0)

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June					
	2016		2017		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
<i>United Kingdom</i>						
160 Dundee Street, Edinburgh	6,204	6.6	5,877	10.8	(327)	(5.3)
Others^	5,606	5.9	7,654	14.0	2,048	36.5
Sub-Total	94,882	100.0	54,537	100.0	(40,345)	(42.5)
Leisure and hospitality						
<i>Klang Valley</i>						
Saujana Impian Golf & Country Club	5,500	3.4	5,958	5.1	458	8.3
Sime Darby Convention Centre	26,800	16.7	27,331	23.1	531	2.0
TPC Kuala Lumpur	50,190	31.2	53,884	45.6	3,694	7.4
<i>Melaka</i>						
Equatorial Hotel	38,398	23.9	-	-	(38,398)	(100.0)
<i>Pahang</i>						
Genting View Resort	4,377	2.7	2,998	2.5	(1,379)	(31.5)
<i>Australia</i>						
Darby Park Serviced Residences, Margaret River	6,427	4.0	6,614	5.6	187	2.9
Darby Park Serviced Residences, Subiaco	5,130	3.2	-	-	(5,130)	(100.0)
Karri Valley Resort	9,261	5.8	9,539	8.1	278	3.0
<i>Singapore</i>						
Darby Park Executive Suites	9,342	5.8	9,348	7.9	6	0.1
<i>Vietnam</i>						
Darby Park Serviced Residences	2,329	1.5	1,923	1.6	(406)	(17.4)
Others^	2,817	1.8	609	0.5	(2,208)	(78.3)
Sub-Total	160,571	100.0	118,204	100.0	(42,367)	(26.4)
Total	2,590,737	100.0	2,564,399	100	(26,338)	(1.0)

Notes:

* Negligible.

^ Include sales of completed units/inventories, rental income from the tenancy of undeveloped land in various estates yet to be developed, rental income from various small buildings as well as assets management fees. The increase in the FYE 30 June 2017 is mainly attributable to the sale of units/inventories of East Residence @ ALYA Kuala Lumpur and Serenity Cove, Australia amounting to RM112.71 million and RM17.89 million, respectively. Such sale of units/inventories fall under "Others" as there were no revenue contribution from these projects in the FYE 30 June 2015 and 2016, respectively.

13. FINANCIAL INFORMATION (Cont'd)

Our Group's revenue decreased by RM26.3 million or 1.0% from RM2,590.74 million for the FYE 30 June 2016 to RM2,564.40 million for the FYE 30 June 2017. The slight decrease in our revenue was mainly due to the decrease in revenue from our property investment activities, as well as slight decrease in the revenue of our leisure and hospitality activities.

(a) *Property development activities*

For the FYE 30 June 2016 and the FYE 30 June 2017, revenue contribution from property development activities were primarily generated from the property development projects located within Klang Valley (FYE 30 June 2016: 81.4% and FYE 30 June 2017: 78.7%) and Negeri Sembilan (FYE 30 June 2016: 14.0% and FYE 30 June 2017: 11.1%). Our key revenue contributors within Klang Valley for the FYE 30 June 2016 were mainly from our development projects at Ara Damansara (9.5%), Bandar Bukit Raja (14.2%), City of Elmina: Elmina East & West (15.5%), Semenyih (10.4%) and Serenia City (16.8%). Our development project located at Nilai Impian (8.5%) was our key revenue contributor from Negeri Sembilan for the FYE 30 June 2016.

The total property development revenue increased by RM56.37 million or 2.4% from RM2,335.28 million for the FYE 30 June 2016 to RM2,391.66 million for the FYE 30 June 2017. This was mainly due to higher revenue contribution from Ara Damansara, Putra Heights and Semenyih which amounted to RM516.92 million in the FYE 30 June 2016 as compared to RM1,002.32 million in the FYE 30 June 2017. The contribution from Ara Damansara, Putra Heights and Semenyih were mainly due to revenue derived from the sale of 4 blocks of commercial office towers in Ara Damansara amounting to approximately RM343.30 million, higher construction completion in terms of percentage for revenue recognition and sale of inventories in Putra Heights and disposal of land located in Semenyih amounting to RM433.95 million. In addition, the increase in revenue for other property development activities was mainly due to the recognition of sale of completed inventories in ALYA Kuala Lumpur in the FYE 30 June 2017 amounting to RM112.71 million.

However, this was offset by lower revenue contribution from Bandar Bukit Raja and Serenia City which amounted to RM722.51 million in the FYE 30 June 2016 as compared to RM256.74 million in the FYE 30 June 2017. This was mainly due to some projects in Bandar Bukit Raja being at the tail end of the construction progress in the FYE 30 June 2017 and our disposal of land located at Serenia City in FYE 30 June 2016 for a total consideration of RM319.00 million.

(b) *Property investment activities*

Our property investment revenue decreased by RM40.34 million or 42.5% from RM94.88 million for the FYE 30 June 2016 to RM54.54 million for the FYE 30 June 2017. This was mainly attributable to the disposal of several investment properties in Singapore namely Sime Darby Centre and Sime Darby Enterprise Centre in the fourth quarter of the FYE 30 June 2016 and Sime Darby Business Centre in the first quarter of the FYE 30 June 2017.

13. FINANCIAL INFORMATION (Cont'd)**(c) Leisure and activities**

Our leisure and hospitality revenue decreased by RM42.37 million or 26.4% from RM160.57 million for the FYE 30 June 2016 to RM118.20 million for the FYE 30 June 2017. The decrease in our revenue from leisure and hospitality was mainly due to disposal of Equatorial Hotel in the fourth quarter of the FYE 30 June 2016.

(ii) Cost of sales / Direct expensesCost of sales analysis by projects

	FYE 30 June				Variance	
	2016		2017		(RM'000)	%
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property development						
<u>Klang Valley</u>						
Ara Damansara	204,831	13.6	375,979	22.9	(171,148)	(83.6)
Bandar Bukit Raja	180,558	12.0	129,077	7.8	51,481	28.5
Bukit Jelutong	18,717	1.2	21,596	1.3	(2,879)	(15.4)
City of Elmina: Elmina East & West	207,354	13.8	268,938	16.3	(61,584)	(29.7)
City of Elmina: Denai Alam	48,024	3.2	14,974	0.9	33,050	68.8
KL East	96,737	6.4	136,144	8.3	(39,407)	(40.7)
Putra Heights	32,413	2.2	124,264	7.6	(91,851)	(283.4)
Saujana Impian	36,544	2.4	25,001	1.5	11,543	31.6
Semenyih	57,446	3.8	11,461	0.7	45,985	80.0
Serenia City	265,101	17.6	23,721	1.4	241,380	91.1
Subang Jaya City Centre	23,439	1.6	3,065	0.2	20,374	86.9
<u>Negeri Sembilan</u>						
Bandar Ainsdale	87,656	5.8	47,682	2.9	39,974	45.6
Chemara Hills	31,396	2.1	34,440	2.1	(3,044)	(9.7)
Nilai Impian	150,955	10.0	123,344	7.5	27,611	18.3
<u>Johor</u>						
Bandar Universiti Pagoh	16,847	1.1	45,664	2.8	(28,817)	(171.1)
Taman Pasir Putih	33,287	2.2	21,927	1.3	11,360	34.1
Others	15,738	1.0	237,784	14.5	(222,046)	(1410.9)
Sub-Total	1,507,043	100.0	1,645,061	100	(138,018)	(9.2)
Property investment						
<u>Klang Valley</u>						
Wisma Zuellig	221	0.6	200	0.6	21	9.7
Wisma Guthrie	1,274	3.3	1,130	3.6	144	11.3
Oasis Square	7,667	20.0	10,098	31.9	(2,431)	(31.7)
Wisma Sime Darby	18,255	47.5	17,207	54.4	1,048	5.7

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June					
	2016		2017		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
<u>Singapore</u>						
Sime Darby Business Centre	3,623	9.4	985	3.1	2,638	72.8
Sime Darby Centre	4,846	12.6	0	0.0	4,846	100.0
Sime Darby Enterprise Centre	1,580	4.1	0	0.0	1,580	100.0
<u>United Kingdom</u>						
160 Dundee Street, Edinburgh	2,683	7.0	2,108	6.7	575	21.4
Others	(1,741)	(4.5)	(82)	(0.3)	(1,659)	(95.3)
Sub-Total	38,408	100.0	31,646	100	6,762	17.6
Leisure and hospitality						
<u>Klang Valley</u>						
Saujana Impian Golf & Country Club	4,571	6.1	4,040	7.8	531	11.6
Sime Darby Convention Centre	17,202	23.1	18,544	35.9	(1,342)	(7.8)
TPC Kuala Lumpur	13,828	18.5	13,319	25.8	509	3.7
<u>Melaka</u>						
Equatorial Hotel	18,511	24.8	0	0.0	18,511	100.0
<u>Pahang</u>						
Genting View Resort	4,134	5.6	2,763	5.4	1,371	33.2
<u>Australia</u>						
Darby Park Serviced Residences, Margaret River	2,525	3.4	2,611	5.1	(86)	(3.4)
Darby Park Serviced Residences, Subiaco	1,472	2.0	5	0.0	1,467	99.6
Karri Valley Resort	5,596	7.5	5,980	11.6	(384)	(6.9)
<u>Singapore</u>						
Darby Park Executive Suites	3,440	4.6	3,033	5.9	407	11.8
<u>Vietnam</u>						
Darby Park Serviced Residences	1,117	1.5	1,022	2.0	95	8.5
Others	2,180	2.9	300	0.6	1,880	86.2
Sub-Total	74,576	100.0	51,617	100	22,959	30.8
Total	1,620,027	100.0	1,728,324	100	(108,297)	(6.7)

Note:

* Negligible.

13. FINANCIAL INFORMATION (Cont'd)

Our cost of sales increased by RM108.29 million or 6.7% from RM1,620.03 million for the FYE 30 June 2016 to RM1,728.32 million for the FYE 30 June 2017. Cost of sales from our property development activities was the major cost contributor in the FYEs 30 June 2016 and 30 June 2017, contributing approximately 93.0% and 95.2%, respectively, to our total cost of sales.

(a) *Property development activities*

Cost of sales of property development activities increased by RM138.02 million or 9.2% from RM1,507.04 million for the FYE 30 June 2016 to RM1,645.06 million for the FYE 30 June 2017, which is in line with the increase in revenue from property development activities.

This was mainly due to higher cost of sales from Ara Damansara and Putra Heights which amounted to RM237.24 million in the FYE 30 June 2016 as compared to RM500.24 million in the FYE 30 June 2017. This is in line with the higher revenue recognised for the same projects, which was due to the revenue recognition for the sale of 4 blocks of commercial office towers in Ara Damansara amounting to approximately RM343.30 million and higher percentage construction completion for revenue recognition and sale of inventories in Putra Heights for the FYE 30 June 2017.

In addition, the increase in cost of sales for other property development activities was attributable to the sale of completed inventories of ALYA Kuala Lumpur amounting to RM112.71 million which was recognised in FYE 30 June 2017 and write down of inventories of ALYA Kuala Lumpur and Putra Heights amounting to RM149.00 million. The increase was offset by cost savings in relation to other completed projects.

(b) *Property Investment*

The cost of sales from property investment decreased by RM6.76 million or 17.6% from RM38.41 million for the FYE 30 June 2016 to RM31.65 million for the FYE 30 June 2017. This was in line with the decrease in revenue from property investment and mainly due to the disposal of Sime Darby Centre and Sime Darby Enterprise Centre in the fourth quarter of the FYE 30 June 2016 and the disposal of Sime Darby Business Centre in the first quarter of FYE 30 June 2017.

(c) *Leisure and Hospitality*

The cost of sales from leisure and hospitality decreased by RM22.96 million or 30.8% from RM74.58 million for the FYE 30 June 2016 to RM51.62 million for the FYE 30 June 2017. This was in line with the decrease in revenue from leisure and hospitality and mainly due to the disposal of Equatorial Hotel in the fourth quarter of the FYE 30 June 2016.

13. FINANCIAL INFORMATION (Cont'd)

(iii) Gross profit and gross profit margin

Gross profit analysis by projects

	FYE 30 June					
	2016		2017		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property development						
<u>Klang Valley</u>						
Ara Damansara	18,134	2.2	58,739	7.8	40,605	223.9
Bandar Bukit Raja	150,759	18.2	86,558	11.6	(64,201)	(42.6)
Bukit Jelutong	6,093	0.7	1,223	0.2	(4,870)	(79.9)
City of Elmina: Elmina East & West	154,750	18.7	84,423	11.3	(70,328)	(45.5)
City of Elmina: Denai Alam	40,124	4.8	61,231	8.2	21,107	52.6
KL East	18,978	2.3	(945)	(0.1)	(19,923)	(105.0)
Putra Heights	19,272	2.3	9,384	1.3	(9,887)	(51.3)
Saujana Impian	9,117	1.1	5,957	0.8	(3,160)	(34.7)
Semenyih	184,819	22.3	422,493	56.6	237,674	128.6
Serenia City	126,088	15.2	17,380	2.3	(108,708)	(86.2)
Subang Jaya City Centre	(1,605)	(0.2)	(1,817)	(0.2)	(212)	(13.2)
<u>Negeri Sembilan</u>						
Bandar Ainsdale	7,607	0.9	4,888	0.7	(2,719)	(35.7)
Chemara Hills	1,349	0.2	964	0.1	(385)	(28.5)
Nilai Impian	48,343	5.8	52,607	7.0	4,264	8.8
<u>Johor</u>						
Bandar Universiti Pagoh	6,040	0.7	17,075	2.3	11,035	182.7
Taman Pasir Putih	29,543	3.6	(4,109)	(0.6)	(33,652)	(113.9)
Others	8,830	1.2	(69,454)	(9.3)	(78,284)	(886.6)
Sub-Total	828,241	100.0	746,597	100	(81,644)	(9.9)

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June					
	2016		2017		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property investment						
<i><u>Klang Valley</u></i>						
Wisma Zuellig	(221)	(0.4)	(200)	(0.9)	21	9.7
Wisma Guthrie	1,410	2.5	1,511	6.6	101	7.2
Oasis Square	6,312	11.2	3,886	17.0	(2,426)	(38.4)
Wisma Sime Darby	1,688	3.0	2,619	11.4	932	55.2
<i><u>Singapore</u></i>						
Sime Darby Business Centre	14,950	26.5	3,570	15.6	(11,380)	(76.1)
Sime Darby Centre	17,231	30.5	0	0.0	(17,231)	(100.0)
Sime Darby Enterprise Centre	4,236	7.5	0	0.0	(4,236)	(100.0)
<i><u>United Kingdom</u></i>						
160 Dundee Street, Edinburgh	3,521	6.2	3,769	16.5	249	7.1
Others	7,347	13.0	7,734	33.8	387	5.3
Sub-Total	56,474	100.0	22,891	100	(33,583)	(59.5)

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June					
	2016		2017		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Leisure and hospitality						
<i><u>Klang Valley</u></i>						
Saujana Impian Golf & Country Club	929	1.1	1,918	2.9	989	106.5
Sime Darby Convention Centre	9,598	11.2	8,787	13.2	(812)	(8.5)
TPC Kuala Lumpur	36,362	42.3	40,565	60.9	4,202	11.6
<i><u>Melaka</u></i>						
Equatorial Hotel	19,887	23.1	0	0.0	(19,887)	(100.0)
<i><u>Pahang</u></i>						
Genting View Resort	243	0.3	235	0.3	(8)	(3.5)
<i><u>Australia</u></i>						
Darby Park Serviced Residences, Margaret River	3,902	4.5	4,003	6.0	101	2.6
Darby Park Serviced Residences, Subiaco	3,658	4.3	(5)	0.0	(3,663)	(100.1)
Karri Valley Resort	3,665	4.3	3,559	5.3	(106)	(2.9)
<i><u>Singapore</u></i>						
Darby Park Executive Suites	5,902	6.9	6,315	9.5	412	7.0
<i><u>Vietnam</u></i>						
Darby Park Serviced Residences	1,212	1.2	901	1.4	(311)	(25.7)
Others	637	0.8	309	0.5	(325)	(51.0)
Sub-Total	85,995	100.0	66,587	100	(19,408)	(22.6)
Total	970,710	100.0	836,075	100	(134,635)	(13.9)

Note:

* Negligible.

13. FINANCIAL INFORMATION (Cont'd)

<i>Gross profit margin analysis by projects</i>			
	FYE 30 June		
	2016	2017	Variance
	%	%	%
Property development			
<i>Klang Valley</i>			
Ara Damansara	8.1	13.5	5.4
Bandar Bukit Raja	45.5	40.1	(5.4)
Bukit Jelutong	24.6	5.4	(19.2)
City of Elmina: Elmina East & West	42.7	23.9	(18.8)
City of Elmina: Denai Alam	45.5	80.4	34.9
KL East	16.4	(0.7)	(17.1)
Putra Heights	37.3	7.0	(30.3)
Saujana Impian	20.0	19.2	(0.8)
Semenyih	76.3	97.4	21.1
Serenia City	32.2	42.3	10.1
Subang Jaya City Centre	(7.4)	(145.6)	(138.2)
<i>Negeri Sembilan</i>			
Bandar Ainsdale	8.0	9.3	1.3
Chemara Hills	4.1	2.7	(1.4)
Nilai Impian	24.3	29.9	5.6
<i>Johor</i>			
Bandar Universiti Pagoh	26.4	27.2	0.8
Taman Pasir Putih	47.0	(23.1)	(70.1)
Others	35.9	(41.3)	(77.2)
Sub-Total	35.5	31.2	(4.3)
Property investment			
<i>Klang Valley</i>			
Wisma Guthrie	52.5	57.2	4.7
Oasis Square	45.2	27.8	(17.4)
Wisma Sime Darby	8.5	13.2	4.7
<i>Singapore</i>			
Sime Darby Business Centre	80.5	78.4	(2.1)
Sime Darby Centre	78.0	-	(78.0)
Sime Darby Enterprise Centre	72.8	-	(72.8)
<i>United Kingdom</i>			
160 Dundee Street, Edinburgh	56.8	64.1	7.3
Others	131.1	101.1	(30.0)
Sub-Total	59.5	42.0	(17.5)

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June		
	2016	2017	Variance
	%	%	%
Leisure and hospitality			
<i><u>Klang Valley</u></i>			
Saujana Impian Golf & Country Club	16.9	32.2	15.3
Sime Darby Convention Centre	35.8	32.1	(3.7)
TPC Kuala Lumpur	72.4	75.3	2.9
<i><u>Melaka</u></i>			
Equatorial Hotel	51.8	-	(51.8)
<i><u>Pahang</u></i>			
Genting View Resort	5.6	7.8	2.2
<i><u>Australia</u></i>			
Darby Park Serviced Residences, Margaret River	60.7	60.5	(0.2)
Darby Park Serviced Residences, Subiaco	71.3	(100.0)	(171.3)
Karri Valley Resort	39.6	37.3	(2.3)
<i><u>Singapore</u></i>			
Darby Park Executive Suites	63.2	67.5	4.3
<i><u>Vietnam</u></i>			
Darby Park Serviced Residences	52.0	46.8	(5.2)
Others	22.6	51.2	28.6
Sub-Total	53.6	56.3	2.7
Total	37.5	32.6	(4.9)

Our gross profit decreased by 13.9% from RM970.71 million for the FYE 30 June 2016 to RM836.08 million for the FYE 30 June 2017. Gross profit from our property development activities was the key contributor, representing approximately 85.3% and 89.3% of our total gross profit for the FYE 30 June 2016 and for the FYE 30 June 2017, respectively.

Our gross profit margin decreased by 4.9% from 37.5% for the FYE 30 June 2016 to 32.6% for the FYE 30 June 2017. This was primarily due to the write down of inventories at ALYA Kuala Lumpur and Putra Heights amounting to RM149.00 million and the disposal of Sime Darby Business Centre, Sime Darby Centre and Sime Darby Enterprise Centre. The disposal of Sime Darby Centre and Sime Darby Enterprise Centre has resulted in reduction in gross profit amount of RM17,231 million and RM4,236 million, respectively. The disposal of the high contributors in property investment has resulted in the Group's lower overall gross profit margin in the FYE 30 June 2017.

13. FINANCIAL INFORMATION (Cont'd)

(iv) Indirect expenses including administrative, marketing and selling and other operating expenses

Our administrative, marketing and selling, and other operating expenses decreased by RM41.57 million or 7.7% from RM542.78 million for the FYE 30 June 2016 to RM501.21 million for the FYE 30 June 2017. The decrease was mainly due to the decrease in donation and corporate social responsibility expenses of RM8.96 million and write-back of impairment of investment properties, property, plant and equipment, trade and other receivables and amounts due from a related company in FYE 30 June 2017 amounting to RM33.54 million, which were offset by the decrease in advertising and promotion of RM7.16 million, decrease in staff costs of RM27.31 million, decrease in legal and professional fee of RM7.43 million, decrease in management fees of RM3.49 million and decrease in outsourcing services of RM5.62 million.

(v) Other operating income

Our other operating income decreased by RM374.91 million or 69.5% from RM539.81 million for the FYE 30 June 2016 to RM164.90 million for the FYE 30 June 2017. This was primarily due to the gain on disposal of our subsidiaries, namely Sime Darby Property (Dunearn) Private Limited which owns the Sime Darby Centre, Sime Darby Property (Kilang) Private Limited which owns Sime Darby Enterprise Centre, and Syarikat Malacca Straits Inn Sdn Bhd which owns Equatorial Hotel for a total gain on disposal of RM486.42 million in the FYE 30 June 2016 as compared to the disposal of our subsidiary namely Sime Darby Property (Alexandra) Private Limited with a gain on disposal of RM130.36 million in the FYE 30 June 2017.

(vi) Other gains or losses

Other gains or losses decreased by RM6.15 million or 114.3% from a gain of RM5.38 million for the FYE 30 June 2016 to a loss of RM0.77 million for the FYE 30 June 2017. This was primarily due to the realised gain on foreign currency exchange for the FYE 30 June 2016 which was a result of exchange difference between the transaction date and the date of receipt of the disposal proceeds (which were dominated in SGD) for our sale of Sime Darby Property (Dunearn) Private Limited and Sime Darby Property (Kilang) Private Limited.

(vii) Share of results of joint ventures and associates

Our share of results of joint ventures increased by RM298.00 million or 1,564.3% from a loss of RM19.05 million for the FYE 30 June 2016 due to a gain of RM278.95 million for the FYE 30 June 2017.

This was primarily due to higher share of profit from BPHCL group of companies ("**BPHCL Group**") and Sime Darby Real Estate Investment Trust 1 ("**SD REIT 1**"). BPHCL Group has completed and delivered 6 blocks of residential units in Phase 1 which resulted in a higher share of profit of RM139.47 million in the FYE 30 June 2017 as compared to a share of loss of RM20.47 million in the FYE 30 June 2016. In addition, SD REIT 1 disposed an investment property which resulted in a higher share of profit from SD REIT 1 amounting to RM136.98 million in the FYE 30 June 2017.

13. FINANCIAL INFORMATION (Cont'd)

The share of results of associates increased by RM15.35 million or 63.0% from RM24.35 million for the FYE 30 June 2016 to RM39.70 million for the FYE 30 June 2017. This was primarily due to higher contribution from Seriemas Development Sdn Bhd group of companies. The higher contribution from Seriemas Development Sdn Bhd group of companies is attributed to gain from disposal of land in the FYE 30 June 2017.

(viii) PBIT

PBIT analysis by geographical location

	FYE 30 June					
	2016		2017		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
<u>Malaysia</u>						
Property development	535,492	54.8	435,600	53.3	(99,892)	(18.7)
Property investment	31,819	3.3	(10,102)	(1.2)	(41,921)	(131.7)
Leisure and hospitality	(35,145)	(3.6)	(6,505)	(0.8)	28,640	81.5
<u>Singapore</u>						
Property investment	471,744	48.2	248,061	30.3	(223,683)	(47.4)
Leisure and hospitality	(1,669)	(0.2)	(2,391)	(0.3)	(722)	(43.3)
<u>Australia</u>						
Property development	(1,603)	(0.2)	4,758	0.6	6,361	396.8
Leisure and hospitality	(4,409)	(0.5)	(4,271)	(0.5)	138	3.1
<u>United Kingdom</u>						
Property development	(20,473)	(2.1)	139,467	17.0	159,940	781.2
Property investment	4,000	0.4	14,987	1.8	10,987	274.7
<u>Vietnam</u>						
Leisure and hospitality	(1,180)	(0.1)	(1,620)	(0.2)	(440)	(37.3)
<u>Others^</u>						
Property development	(157)	-*	(335)	-*	(178)	(113.4)
Total	978,419	100.0	817,649	100.0	(160,770)	(16.4)

Note:

* Negligible

^ Mainly attributed by SD Property (Hong Kong).

13. FINANCIAL INFORMATION (Cont'd)

The total PBIT decreased by RM160.77 million or 16.4% from RM978.42 million for the FYE 30 June 2016 to RM817.65 million for the FYE 30 June 2017.

(a) Malaysia

The PBIT of property development decreased by RM99.89 million or 18.7% from RM535.49 million for the FYE 30 June 2016 to RM435.60 million for the FYE 30 June 2017. This was primarily due to write down of inventories of ALYA Kuala Lumpur and Putra Heights amounting to RM149.00 million, offset by higher revenue of property development by RM38.37 million as well as higher contribution from associate, Seriemas Development Sdn Bhd by RM17.56 million.

(b) Singapore

The PBIT of property investment decreased by RM223.68 million or 47.4% from RM471.74 million for the FYE 30 June 2016 to RM248.06 million for the FYE 30 June 2017. This was primarily due to the gain on disposal of our subsidiaries, namely Sime Darby Property (Dunearn) Private Limited which owns the Sime Darby Centre and Sime Darby Property (Kilang) Private Limited which owns Sime Darby Enterprise Centre for a total gain on disposal of RM447.03 million in the FYE 30 June 2016 as compared to the disposal of our subsidiary, namely Sime Darby Property (Alexandra) Private Limited with a gain on disposal of RM130.36 million and disposal of an investment property by SD REIT 1 which resulted in a higher share of profit from SD REIT 1 amounting to RM136.98 million in the FYE 30 June 2017. The disposals of the abovementioned subsidiaries have resulted in the reduction of RM32.85 million in our gross profit for the FYE 30 June 2017 as compared to the FYE 30 June 2016.

(c) United Kingdom

The PBIT of property development increased by RM159.94 million or 781.2% from a loss of RM20.47 million for the FYE 30 June 2016 to a profit of RM139.47 million for the FYE 30 June 2017. This was primarily due to the completion and delivery of 6 blocks of residential units in Phase 1 by BPHCL Group.

(ix) Finance income

Our finance income increased by RM4.43 million or 24.1% from RM18.34 million for the FYE 30 June 2016 to RM22.77 million for the FYE 30 June 2017. This was mainly due to increase in the amount of interest received from our customers for the late payments.

(x) Finance costs

Our finance cost has decreased by RM35.03 million or 90.7% from RM38.63 million for the FYE 30 June 2016 to RM3.60 million for the FYE 30 June 2017. This was due to higher capitalisation of interest during FYE 30 June 2017. Out of the total of RM175.00 million and RM164.81 million of interest expense for the FYE 30 June 2016 and FYE 30 June 2017 respectively, RM136.37 million and RM161.21 million had been capitalised during the FYE 30 June 2016 and FYE 30 June 2017 respectively. These capitalised borrowing costs were related to the borrowings directly associated with property development activities and included as part of property development costs.

13. FINANCIAL INFORMATION (Cont'd)**(xi) Profit before tax**

Due to the foregoing, our profit before tax decreased by RM121.32 million or 12.7% from RM958.13 million for the FYE 30 June 2016 to RM836.81 million for the FYE 30 June 2017. The profit before tax margin decrease from 37.0% for the FYE 30 June 2016 to 32.6% for the FYE 30 June 2017.

(xii) Effective tax rate

Our tax expenses decreased by RM55.74 million or 26.5% from RM210.29 million for the FYE 30 June 2016 to RM154.55 million for the FYE 30 June 2017 following the decrease of our profit before tax.

The effective tax rate has decreased from 21.9% for the FYE 30 June 2016 to 18.5% for the FYE 30 June 2017. This was primarily due to higher non-tax deductible profit from our joint ventures.

(xiii) Profit for the financial year

As a result of the foregoing, our profit for the financial year decreased by RM245.66 million or 25.7% from RM954.76 million for the FYE 30 June 2016 to RM709.10 million for the FYE 30 June 2017.

FYE 30 June 2016 compared to FYE 30 June 2015 (in respect of continuing operations)

The following table summarises our consolidated statement of income information for the financial years indicated:

	FYE 30 June		Variance	
	2015 (RM'000)	2016 (RM'000)	(RM'000)	%
Revenue	3,253,933	2,590,737	(663,196)	(20.4)
Direct expenses	(2,127,815)	(1,620,027)	507,788	23.9
Gross profit	1,126,118	970,710	(155,408)	(13.8)
Indirect expenses	(502,731)	(542,781)	(40,050)	(8.0)
Other operating income	258,227	539,811	281,584	109.0
Other gains / (losses)	(100)	5,384	5,484	5,484.0
Operating profit	881,514	973,124	91,610	10.4
Share of results of joint ventures	(74,953)	(19,053)	55,900	74.6
Share of results of associates	14,291	24,348	10,057	70.4
Profit before interest and tax	820,852	978,419	157,567	19.2
Finance income	24,406	18,343	(6,063)	(24.8)
Finance costs	(104,828)	(38,630)	66,198	63.1
Profit before tax	740,430	958,132	217,702	29.4
Tax expenses	(150,577)	(210,289)	(59,712)	(39.7)
Profit for the financial year from continuing operations	589,853	747,843	157,990	26.8
Profit for the financial year from discontinuing operations	98,367	206,915	108,548	110.4
Profit for the financial year	688,220	954,758	266,538	38.7

13. FINANCIAL INFORMATION (Cont'd)

(i) Revenue

Revenue analysis by projects

	FYE 30 June					
	2015		2016		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property development						
<u><i>Klang Valley</i></u>						
Ara Damansara	334,168	11.1	222,965	9.5	(111,203)	(33.3)
Bandar Bukit Raja	833,489	27.8	331,317	14.2	(502,172)	(60.2)
Bukit Jelutong	73,794	2.5	24,810	1.1	(48,984)	(66.4)
City of Elmina: Elmina East & West	672,336	22.4	362,104	15.5	(310,232)	(46.1)
City of Elmina: Denai Alam	175,444	5.9	88,148	3.8	(87,296)	(49.8)
KL East	111,346	3.7	115,715	5.0	4,369	3.9
Putra Heights	91,135	3.0	51,685	2.2	(39,450)	(43.3)
Saujana Impian	18,284	0.6	45,661	2.0	27,377	149.7
Semenyih	311	-*	242,265	10.4	241,954	77,798.7
Serenia City	1,252	-*	391,189	16.8	389,937	31,145.1
Subang Jaya City Centre	36,319	1.2	21,834	0.9	(14,485)	(39.9)
<u><i>Negeri Sembilan</i></u>						
Bandar Ainsdale	132,462	4.4	95,263	4.1	(37,199)	(28.1)
Chemara Hills	38,047	1.3	32,745	1.4	(5,302)	(13.9)
Nilai Impian	248,736	8.3	199,298	8.5	(49,438)	(19.9)
<u><i>Johor</i></u>						
Bandar Universiti Pagoh	37,795	1.3	22,887	1.0	(14,908)	(39.4)
Taman Pasir Putih	156,658	5.2	62,830	2.6	(93,828)	(59.9)
Others	36,209	1.3	24,568	1.0	(11,641)	(32.1)
Sub-Total	2,997,785	100.0	2,335,284	100.0	(662,501)	(22.1)

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June				Variance	
	2015		2016			
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property investment						
<u><i>Klang Valley</i></u>						
Wisma Zuellig	2,045	2.2	-	-	(2,045)	(100.0)
Wisma Guthrie	1,622	1.8	2,684	2.8	1,062	65.5
Oasis Square	14,042	15.2	13,979	14.7	(63)	(0.5)
Wisma Sime Darby	18,968	20.6	19,943	21.0	975	5.1
<u><i>Singapore</i></u>						
Sime Darby Business Centre	15,861	17.2	18,573	19.6	2,712	17.1
Sime Darby Centre	19,847	21.5	22,077	23.3	2,230	11.2
Sime Darby Enterprise Centre	5,624	6.1	5,816	6.1	192	3.4
<u><i>United Kingdom</i></u>						
160 Dundee Street, Edinburgh	7,914	8.6	6,204	6.6	(1,710)	(21.6)
Others	6,204	6.8	5,606	5.9	(598)	(9.6)
Sub-Total	92,127	100.0	94,882	100.0	2,755	3.0

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June				Variance	
	2015		2016			
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Leisure and hospitality						
<i><u>Klang Valley</u></i>						
Saujana Impian Golf & Country Club	5,702	3.5	5,500	3.4	(202)	(3.5)
Sime Darby Convention Centre	20,848	12.7	26,800	16.7	5,952	28.5
TPC Kuala Lumpur	49,412	30.1	50,190	31.2	778	1.6
<i><u>Melaka</u></i>						
Equatorial Hotel	43,701	26.6	38,398	23.9	(5,303)	(12.1)
<i><u>Pahang</u></i>						
Genting View Resort	4,430	2.7	4,377	2.7	(53)	(1.2)
<i><u>Australia</u></i>						
Darby Park Serviced Residences, Margaret River	6,595	4.0	6,427	4.0	(168)	(2.5)
Darby Park Serviced Residences, Subiaco	7,174	4.4	5,130	3.2	(2,044)	(28.5)
Karri Valley Resort	8,964	5.5	9,261	5.8	297	3.3
<i><u>Singapore</u></i>						
Darby Park Executive Suites	10,935	6.7	9,342	5.8	(1,593)	(14.6)
<i><u>Vietnam</u></i>						
Darby Park Serviced Residences	3,056	1.9	2,329	1.5	(727)	(23.8)
Others	3,204	1.9	2,817	1.8	(387)	(12.1)
Sub-Total	164,021	100.0	160,571	100.0	(3,450)	(2.1)
Total	3,253,933	100.0	2,590,737	100.0	(663,196)	(20.4)

Note:

* Negligible.

Our Group's revenue decreased by RM663.19 million or 20.4% from RM3,253.93 million for the FYE 30 June 2015 to RM2,590.74 million for the FYE 30 June 2016. This was mainly due to the decrease in revenue of our property development activities, as well as slight decrease in the revenue of our leisure and hospitality activities.

13. FINANCIAL INFORMATION (Cont'd)*(a) Property development activities*

For the FYE 30 June 2015 and the FYE 30 June 2016, revenue contribution from property development activities were primarily generated from the property development projects located within Klang Valley (FYE 30 June 2015: 78.2% and FYE 30 June 2016: 81.4%) and Negeri Sembilan (FYE 30 June 2015: 14.0% and FYE 30 June 2016: 14.0%). Our key revenue contributors within Klang Valley for the FYE 30 June 2015 were mainly from our development projects at Ara Damansara (11.1%), Bandar Bukit Raja (27.8%) and City of Elmina: Elmina East & West (22.4%). Our development project located at Nilai Impian (8.3%) was our key revenue contributor from Negeri Sembilan for the FYE 30 June 2015.

The total property development revenue decreased by RM662.50 million or 22.1% from RM2,997.78 million for the FYE 30 June 2015 to RM2,335.28 million for the FYE 30 June 2016. This was mainly due to lower revenue contribution from Ara Damansara, Bandar Bukit Raja, City of Elmina: Elmina East & West, Denai Alam and Taman Pasir Putih which amounted to RM2,172.10 million in the FYE 30 June 2015 as compared to RM1,067.36 million in the FYE 30 June 2016. This was mainly due to the completion of phases in City of Elmina: Elmina East & West and Denai Alam in the FYE 30 June 2015, several phases in Ara Damansara, Bandar Bukit Raja and Taman Pasir Putih being at the tail end of the construction progress in the FYE 30 June 2015 and new phases of City of Elmina: Elmina East & West launched towards the end of the FYE 30 June 2016 and as such the construction completion in terms of percentage for revenue recognition was low.

However, this was offset by higher revenue contribution from Semenyih and Serenia City which amounted to RM1.56 million in the FYE 30 June 2015 as compared to RM633.45 million in the FYE 30 June 2016. This was mainly due to our disposal of land located at Serenia City and Semenyih in the FYE 30 June 2016 for a total consideration of RM319.00 million and RM242.00 million, respectively.

(b) Property Investment

Our property investment revenue increased slightly by RM2.75 million or 3.0% from RM92.13 million for the FYE 30 June 2015 to RM94.88 million for the FYE 30 June 2016. This was mainly attributed to the higher rental and occupancy rate from the Sime Darby Business Centre and Sime Darby Centre which amounted to RM35.71 million in the FYE 30 June 2015 as compared to RM40.65 million in the FYE 30 June 2016.

This was partly offset by the decrease in contribution from our investment properties located in 160 Dundee Street, Edinburgh in the United Kingdom and Wisma Zuellig located in Selangor which amounted to RM7.9 million and RM2.0 million in the FYE 30 June 2015 respectively, as compared to RM6.2 million and nil in the FYE 30 June 2016 respectively. There was no revenue for Wisma Zuellig in the FYE 30 June 2016 due to the expiry of our tenancy agreement with Tunku Abdul Rahman University College in the FYE 30 June 2015.

13. FINANCIAL INFORMATION (Cont'd)**(c) Leisure and Hospitality**

Our leisure and hospitality revenue decreased marginally by RM3.45 million or 2.1% from RM164.02 million for the FYE 30 June 2015 to RM160.57 million for the FYE 30 June 2016. The decrease in our revenue from leisure and hospitality was mainly due to lower contribution from Equatorial Hotel which amounted to RM43.70 million in the FYE 30 June 2015 as compared to RM38.40 million in the FYE 30 June 2016. This was due to lower occupancy rate at the Equatorial Hotel, Melaka.

(ii) Cost of sales / Direct expensesCost of sales analysis by projects

	FYE 30 June					
	2015		2016		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property development						
<u>Klang Valley</u>						
Ara Damansara	269,309	13.3	204,831	13.6	64,478	23.9
Bandar Bukit Raja	546,211	27.1	180,558	12.0	365,653	66.9
Bukit Jelutong	39,696	2.0	18,717	1.2	20,979	52.8
City of Elmina: Elmina East & West	393,398	19.5	207,354	13.8	186,044	47.3
City of Elmina: Denai Alam	101,358	5.0	48,024	3.2	53,334	52.6
KL East	95,953	4.8	96,737	6.4	(784)	(0.8)
Putra Heights	84,740	4.2	32,413	2.2	52,327	61.8
Saujana Impian	14,691	0.7	36,544	2.4	(21,853)	(148.8)
Semenyih	112	-*	57,446	3.8	(57,334)	(51,191)
Serenia City	3,329	0.2	265,101	17.6	(261,772)	(7,863.4)
Subang Jaya City Centre	48,527	2.4	23,439	1.6	25,088	51.7
<u>Negeri Sembilan</u>						
Bandar Ainsdale	120,582	6.0	87,656	5.8	32,926	27.3
Chemara Hills	25,399	1.3	31,396	2.1	(5,997)	(23.6)
Nilai Impian	165,014	8.2	150,955	10.0	14,059	8.5
<u>Johor</u>						
Bandar Universiti Pagoh	25,360	1.2	16,847	1.1	8,513	33.6
Taman Pasir Putih	61,910	3.0	33,287	2.2	28,623	46.2
Others	23,513	1.1	15,738	1.0	7,775	33.1
Sub-Total	2,019,102	100.0	1,507,043	100.0	512,059	25.4

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June				Variance	
	2015		2016			
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property investment						
<i><u>Klang Valley</u></i>						
Wisma Zuellig	287	0.7	221	0.6	66	23.0
Wisma Guthrie	1,424	3.6	1,274	3.3	150	10.5
Oasis Square	9,579	24.0	7,667	20.0	1,912	20.0
Wisma Sime Darby	18,333	46.0	18,255	47.5	78	0.4
<i><u>Singapore</u></i>						
Sime Darby Business Centre	3,351	8.4	3,623	9.4	(272)	(8.1)
Sime Darby Centre	3,759	9.4	4,846	12.6	(1,087)	(28.9)
Sime Darby Enterprise Centre	1,354	3.4	1,580	4.1	(226)	(16.7)
<i><u>United Kingdom</u></i>						
160 Dundee Street, Edinburgh	3,045	7.6	2,683	7.0	362	11.9
Others	(1,276)	(3.1)	(1,741)	(4.5)	465	36.4
Sub-Total	39,856	100.0	38,408	100.0	1,448	3.6

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June				Variance	
	2015		2016			
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Leisure and hospitality						
<i><u>Klang Valley</u></i>						
Saujana Impian Golf & Country Club	4,608	6.7	4,571	6.1	37	0.8
Sime Darby Convention Centre	15,269	22.2	17,202	23.1	(1,933)	(12.7)
TPC Kuala Lumpur	12,576	18.3	13,828	18.5	(1,252)	(10.0)
<i><u>Melaka</u></i>						
Equatorial Hotel	16,216	23.6	18,511	24.8	(2,295)	(14.2)
<i><u>Pahang</u></i>						
Genting View Resort	3,309	4.8	4,134	5.6	(825)	(24.9)
<i><u>Australia</u></i>						
Darby Park Serviced Residences, Margaret River	2,521	3.7	2,525	3.4	(4)	(0.2)
Darby Park Serviced Residences, Subiaco	1,863	2.7	1,472	2.0	391	21.0
Karri Valley Resort	5,362	7.8	5,596	7.5	(234)	(4.4)
<i><u>Singapore</u></i>						
Darby Park Executive Suites	3,251	4.7	3,440	4.6	(189)	(5.8)
<i><u>Vietnam</u></i>						
Darby Park Serviced Residences	1,143	1.7	1,117	1.5	26	2.3
Others	2,739	3.8	2,180	2.9	559	20.4
Sub-Total	68,857	100.0	74,576	100.0	(5,719)	(8.3)
Total	2,127,815	100.0	1,620,027	100.0	507,788	23.9

Our cost of sales decreased by RM507.79 million or 23.9% from RM2,127.82 million for the FYE 30 June 2015 to RM1,620.03 million for the FYE 30 June 2016. Cost of sales from our property development activities was the major cost contributor in the FYEs 30 June 2015 and 2016, contributing approximately 94.9% and 93.0%, respectively, of our total cost of sales.

(a) Property development activities

Cost of sales of property development activities decreased by RM512.06 million or 25.4% from RM2,019.10 million for the FYE 30 June 2015 to RM1,507.04 million for the FYE 30 June 2016, which is in line with the decrease in revenue from property development activities.

13. FINANCIAL INFORMATION (Cont'd)

This was mainly due to lower cost of sales from Ara Damansara, Bandar Bukit Raja, City of Elmina: Elmina East & West, Denai Alam and Taman Pasir Putih which amounted to RM1,372.19 million in the FYE 30 June 2015 as compared to RM674.05 million in the FYE 30 June 2016. This is in line with the lower revenue recognised for the same projects which was mainly due to the completion of phases in City of Elmina: Elmina East and Denai Alam in the FYE 30 June 2015 as well as several phases in Ara Damansara, Bandar Bukit Raja and Taman Pasir Putih being at the tail end of the construction progress in the FYE 30 June 2015.

(b) *Property Investment*

The cost of sales from property investment decreased by RM1.45 million or 3.6% from RM39.86 million for the FYE 30 June 2015 to RM38.41 million for the FYE 30 June 2016. The decrease in cost of sales from property investment despite the increase in revenue from property investment was primarily due to the cessation of operations of Subang Avenue Shopping Complex which was disposed in the FYE 30 June 2015 coupled with the recovery of electricity charges from tenants at Oasis Square in the FYE 30 June 2016.

(c) *Leisure and Hospitality*

The cost of sales from leisure and hospitality increased marginally by RM5.72 million or 8.3% from RM68.86 million for the FYE 30 June 2015 to RM74.58 million for the FYE 30 June 2016. This was mainly due to higher cost of sales from Sime Darby Convention Centre and Equatorial Hotel which amounted to RM31.49 million in the FYE 30 June 2015 as compared to RM35.71 million in the FYE 30 June 2016.

The increase in the cost of sales for Sime Darby Convention Centre was in line with the increase in revenue. The cost of sales from Equatorial Hotel increased despite the lower revenue contribution due to increase in staff cost in the FYE 30 June 2016. Notwithstanding, the Equatorial Hotel was disposed in the FYE 30 June 2016.

13. FINANCIAL INFORMATION (Cont'd)

(iii) Gross profit and gross profit margin

Gross profit analysis by projects

	FYE 30 June					
	2015		2016		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property development						
<u><i>Klang Valley</i></u>						
Ara Damansara	64,859	6.6	18,134	2.2	(46,725)	(72.0)
Bandar Bukit Raja	287,278	29.3	150,759	18.2	(136,519)	(47.5)
Bukit Jelutong	34,098	3.5	6,093	0.7	(28,005)	(82.1)
City of Elmina: Elmina East & West	278,938	28.5	154,750	18.7	(124,188)	(44.5)
City of Elmina: Denai Alam	74,086	7.5	40,124	4.8	(33,962)	(45.8)
KL East	15,393	1.5	18,978	2.3	3,585	23.3
Putra Heights	6,395	0.7	19,272	2.3	12,877	201.4
Saujana Impian	3,593	0.4	9,117	1.1	5,524	153.7
Semenyih	199	-*	184,819	22.3	184,620	92,773.9
Serenia City	(2,077)	(0.2)	126,088	15.2	128,165	(6,170.7)
Subang Jaya City Centre	(12,208)	(1.2)	(1,605)	(0.2)	10,603	(86.9)
<u><i>Negeri Sembilan</i></u>						
Bandar Ainsdale	11,880	1.2	7,607	0.9	(4,273)	(36.0)
Chemara Hills	12,648	1.3	1,349	0.2	(11,299)	(89.3)
Nilai Impian	83,722	8.6	48,343	5.8	(35,379)	(42.3)
<u><i>Johor</i></u>						
Bandar Universiti Pagoh	12,435	1.3	6,040	0.7	(6,395)	(51.4)
Taman Pasir Putih	94,748	9.7	29,543	3.6	(65,205)	(68.8)
Others	12,696	1.3	8,830	1.2	(3,866)	(30.5)
Sub-Total	978,683	100.0	828,241	100.0	(150,442)	(15.4)

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June				Variance	
	2015		2016			
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Property investment						
<u><i>Klang Valley</i></u>						
Wisma Zuellig	1,758	3.4	(221)	(0.4)	(1,979)	(112.6)
Wisma Guthrie	198	0.4	1,410	2.5	1,212	612.1
Oasis Square	4,463	8.5	6,312	11.2	1,849	41.4
Wisma Sime Darby	635	1.2	1,688	3.0	1,053	165.8
<u><i>Singapore</i></u>						
Sime Darby Business Centre	12,510	23.9	14,950	26.5	2,440	19.5
Sime Darby Centre	16,088	30.8	17,231	30.5	1,143	7.1
Sime Darby Enterprise Centre	4,270	8.2	4,236	7.5	(34)	(0.8)
<u><i>United Kingdom</i></u>						
160 Dundee Street, Edinburgh	4,869	9.3	3,521	6.2	(1,348)	(27.7)
Others	7,480	14.3	7,347	13.0	(133)	(1.8)
Sub-Total	52,271	100.0	56,474	100.0	4,203	8.0

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June				Variance	
	2015		2016			
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Leisure and hospitality						
<i><u>Klang Valley</u></i>						
Saujana Impian Golf & Country Club	1,094	1.1	929	1.1	(165)	(15.1)
Sime Darby Convention Centre	5,579	5.8	9,598	11.2	4,019	72.0
TPC Kuala Lumpur	36,836	38.7	36,362	42.3	(474)	(1.3)
<i><u>Melaka</u></i>						
Equatorial Hotel	27,485	28.9	19,887	23.1	(7,598)	(28.0)
<i><u>Pahang</u></i>						
Genting View Resort	1,121	1.2	243	0.3	(878)	(78.3)
<i><u>Australia</u></i>						
Darby Park Serviced Residences, Margaret River	4,074	4.3	3,902	4.5	(172)	(4.2)
Darby Park Serviced Residences, Subiaco	5,311	5.6	3,658	4.3	(1,653)	(31.1)
Karri Valley Resort	3,602	3.8	3,665	4.3	63	1.7
<i><u>Singapore</u></i>						
Darby Park Executive Suites	7,684	8.0	5,902	6.9	(1,782)	(23.2)
<i><u>Vietnam</u></i>						
Darby Park Serviced Residences	1,913	2.0	1,212	1.2	(701)	(36.6)
Others	465	0.5	637	0.8	172	37.0
Sub-Total	95,164	100.0	85,995	100.0	(9,169)	(9.6)
Total	1,126,118	100.0	970,710	100.0	(155,408)	(13.8)

Note:

* Negligible.

13. FINANCIAL INFORMATION (Cont'd)

Gross profit margin analysis by projects

	FYE 30 June		Variance
	2015	2016	
	%	%	
Property development			
<u>Klang Valley</u>			
Ara Damansara	19.4	8.1	(11.3)
Bandar Bukit Raja	34.5	45.5	11.0
Bukit Jelutong	46.2	24.6	(21.6)
City of Elmina: Elmina East & West	41.5	42.7	1.2
City of Elmina: Denai Alam	42.2	45.5	3.3
KL East	13.8	16.4	2.6
Putra Heights	7.0	37.3	30.3
Saujana Impian	19.7	20.0	0.3
Semenyih	64.0	76.3	12.3
Serenia City	(165.9)	32.2	198.1
Subang Jaya City Centre	(33.6)	(7.4)	26.2
<u>Negeri Sembilan</u>			
Bandar Ainsdale	9.0	8.0	(1.0)
Chemara Hills	33.2	4.1	(29.1)
Nilai Impian	33.7	24.3	(9.4)
<u>Johor</u>			
Bandar Universiti Pagoh	32.9	26.4	(6.5)
Taman Pasir Putih	60.5	47.0	(13.5)
Others	35.1	35.9	0.8
Sub-Total	32.6	35.5	2.9

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June		Variance
	2015	2016	
	%	%	
Property investment			
<u><i>Klang Valley</i></u>			
Wisma Zuellig	86.0	-	(86.0)
Wisma Guthrie	12.2	52.5	40.3
Oasis Square	31.8	45.2	13.4
Wisma Sime Darby	3.3	8.5	5.2
<u><i>Singapore</i></u>			
Sime Darby Business Centre	78.9	80.5	1.6
Sime Darby Centre	81.1	78.0	(3.1)
Sime Darby Enterprise Centre	75.9	72.8	(3.1)
<u><i>United Kingdom</i></u>			
160 Dundee Street, Edinburgh	61.5	56.8	(4.7)
Others	120.6	131.1	10.5
Sub-Total	56.7	59.5	2.8

13. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June		Variance
	2015	2016	
	%	%	
Leisure and hospitality			
<i><u>Klang Valley</u></i>			
Saujana Impian Golf & Country Club	19.2	16.9	(2.3)
Sime Darby Convention Centre	26.8	35.8	9.0
TPC Kuala Lumpur	74.5	72.4	(2.1)
<i><u>Melaka</u></i>			
Equatorial Hotel	62.9	51.8	(11.1)
<i><u>Pahang</u></i>			
Genting View Resort	25.3	5.6	(19.7)
<i><u>Australia</u></i>			
Darby Park Serviced Residences, Margaret River	61.8	60.7	(1.1)
Darby Park Serviced Residences, Subiaco	74.0	71.3	(2.7)
Karri Valley Resort	40.2	39.6	(0.6)
<i><u>Singapore</u></i>			
Darby Park Executive Suites	70.3	63.2	(7.1)
<i><u>Vietnam</u></i>			
Darby Park Serviced Residences	62.6	52.0	(10.6)
Others	14.5	22.6	8.1
Sub-Total	58.0	53.6	(4.4)
Total	34.6	37.5	2.9

Our gross profit decreased by RM155.41 million or 13.8% from RM1,126.12 million for the FYE 30 June 2015 to RM970.71 million for the FYE 30 June 2016. Gross profit from our property development business was the key contributor, representing approximately 86.9% and 85.3% of our total gross profit for the FYE 30 June 2015 and for the FYE 30 June 2016, respectively.

Despite the lower gross profit, our gross profit margin of 37.5% for the FYE 30 June 2016 was higher than the 34.6% for the FYE 30 June 2015 by 2.9%. This was primarily due to the higher profit margin registered by the property development business from land sales.

13. FINANCIAL INFORMATION (Cont'd)**(iv) Indirect expenses including administrative, marketing and selling and other operating expenses**

Our administrative, marketing and selling, and other operating expenses increased by RM40.1 million or 8.0% from RM502.73 million for the FYE 30 June 2015 to RM542.78 million for the FYE 30 June 2016. The increase was mainly due to the higher impairment of property, plant and equipment and trade and other receivables of RM68.30 million, which was offset by the decrease in staff costs of RM8.21 million and a decrease in write-off on investment properties and property, plant and equipment of RM12.94 million.

(v) Other operating income

Our other operating income increased by RM281.58 million or 109.0% from RM258.23 million for the FYE 30 June 2015 to RM539.81 million for the FYE 30 June 2016. The increase was primarily due to the gain on disposal of our subsidiaries, namely Sime Darby Property (Dunearn) Private Limited which owns the Sime Darby Centre, Sime Darby Property (Kilang) Private Limited which owns Sime Darby Enterprise Centre, and Syarikat Malacca Straits Inn Sdn Bhd which owns Equatorial Hotel for a total gain on disposal of RM486.42 million.

(vi) Other gains or losses

Other gains for the FYE 30 June 2016 of RM5.38 million was due to the foreign currency exchange gains while our Group recorded a small foreign currency exchange loss of RM0.1 million for the FYE 30 June 2015. The realised gain on foreign currency exchange for the FYE 30 June 2016 was a result of exchange difference between the transaction date and the date of receipt of the disposal proceeds (which were dominated in SGD) for our sale of Sime Darby Property (Dunearn) Private Limited and Sime Darby Property (Kilang) Private Limited.

(vii) Share of results of joint ventures and associates

Our share of losses of joint ventures decreased by RM55.90 million or 74.6% from RM74.95 million for the FYE 30 June 2015 to RM19.05 million for the FYE 30 June 2016.

The share of loss of joint venture in the FYEs 30 June 2015 and 2016 mainly represents our share of the loss recorded by BPHCL Group. The loss was mainly due to the revenue and profit from the sale of properties will be recognised only upon physical completion and hand-over of vacant possession of the property while the operating expenses and promotion and marketing costs were incurred prior to that. The decrease in share of losses of joint ventures was mainly due to lower marketing expenses in the FYE 30 June 2016.

Our share of profit of associates increased by RM10.06 million or 70.4% from RM14.29 million for the FYE 30 June 2015 to RM24.35 million for the FYE 30 June 2016 primarily due to higher contribution from Seriemas Development Sdn Bhd group of companies. The higher contribution from Seriemas Development Sdn Bhd group of companies is attributed to gain from disposal of land in the FYE 30 June 2016.

13. FINANCIAL INFORMATION (Cont'd)

(ix) PBIT

PBIT analysis by geographical location

	FYE 30 June					
	2015		2016		Variance	
	(RM'000)	%	(RM'000)	%	(RM'000)	%
Malaysia						
Property development	848,714	103.4	535,492	54.8	(313,222)	(36.9)
Property investment	57,399	7.0	31,819	3.3	(25,580)	(44.6)
Leisure and hospitality	(30,521)	(3.7)	(35,145)	(3.6)	(4,624)	(15.2)
Singapore						
Property investment	21,569	2.6	471,744	48.2	450,175	2,087.1
Leisure and hospitality	(142)	-*	(1,669)	(0.2)	(1,527)	(1,075.4)
Australia						
Property development	(1,047)	(0.1)	(1,603)	(0.2)	(556)	(53.1)
Leisure and hospitality	(2,049)	(0.2)	(4,409)	(0.5)	(2,360)	(115.2)
United Kingdom						
Property development	(69,252)	(8.4)	(20,473)	(2.1)	48,779	70.4
Property investment	(3,012)	(0.4)	4,000	0.4	7,012	232.8
Vietnam						
Leisure and hospitality	(674)	-*	(1,180)	(0.1)	(506)	(75.1)
Others^						
Property development	(133)	-*	(157)	-*	(24)	(18.0)
Total	820,852	100.0	978,419	100.0	157,567	19.2

Note:

* Negligible

^ Mainly attributed by SD Property (Hong Kong).

The total PBIT increased by RM157.57 million or 19.2% from RM820.85 million for the FYE 30 June 2015 to RM978.42 million for the FYE 30 June 2016.

(a) Malaysia

The PBIT of property development decreased by RM313.22 million or 36.9% from RM848.71 million for the FYE 30 June 2015 to RM535.49 million for the FYE 30 June 2016. This was primarily due to gain on disposal of RM157.25 million from disposal of our joint venture, namely Sime Darby Sunsuria Development Sdn Bhd in the FYE 30 June 2015 as well as decrease in gross profit by RM149.96 million or 15.3% from RM978.41 million for the FYE 30 June 2015 to RM828.45 million for the FYE 30 June 2016.

13. FINANCIAL INFORMATION (Cont'd)**(b) Singapore**

The PBIT of property investment increased by RM450.18 million or 2087.1% from RM21.57 million for the FYE 30 June 2015 to RM471.74 million for the FYE 30 June 2016. This was primarily due to the gain on disposal of our subsidiaries, namely Sime Darby Property (Dunearn) Private Limited which owns the Sime Darby Centre and Sime Darby Property (Kilang) Private Limited which owns Sime Darby Enterprise Centre for a total gain on disposal of RM447.03 million.

(c) United Kingdom

The losses before interest and taxation of property development in the FYEs 30 June 2015 and 2016 mainly represented our share of the loss recorded by BPHCL Group for the Battersea Power Station project. This was primarily due to the revenue and profit from the sale of Battersea Power Station properties only being recognised upon physical completion and hand-over of vacant possession of the properties whilst the operating expenses and promotion and marketing costs would be incurred prior to that. The decrease in share of losses of joint ventures was mainly due to lower marketing expenses in the FYE 30 June 2016.

(x) Finance income

The finance income decreased by RM6.07 million or 24.9% from RM24.41 million for the FYE 30 June 2015 to RM18.34 million for the FYE 30 June 2016. This was mainly due to reduction in the amount of interest received from our customers for the late payments.

(xi) Finance costs

The finance cost decreased by RM66.20 million or 63.1% from RM104.83 million for the FYE 30 June 2015 to RM38.63 million for the FYE 30 June 2016, despite the increase in total borrowings of our Group. This was due to higher capitalisation of interest during FYE 30 June 2016. Out of the total interest expense of RM159.62 million and RM174.99 million for the FYE 30 June 2015 and FYE 30 June 2016, respectively, RM54.79 million and RM136.36 million had been capitalised during the FYE 30 June 2015 and FYE 30 June 2016, respectively. These capitalised borrowing costs were related to the borrowings directly associated with property development activities and included as part of property development costs.

(xii) Profit before tax

As a result of the foregoing, our profit before tax increased by RM217.70 million or 29.4% from RM740.43 million in the FYE 30 June 2015 to RM958.13 million for the FYE 30 June 2016. The profit before tax margin increased from 22.8% in the FYE 30 June 2015 to 37.0% in the FYE 30 June 2016.

13. FINANCIAL INFORMATION (Cont'd)**(xiii) Effective Tax Rate**

Our tax expense increased by RM59.71 million or 39.7% from RM150.58 million for the FYE 30 June 2015 to RM210.29 million for the FYE 30 June 2016 following the increase of our profit before tax.

The effective tax rate was higher at 21.9% for the FYE 30 June 2016 as compared with 20.3% for the FYE 30 June 2015. This was mainly due to the effects of higher non-tax deductible expenses and higher tax temporary differences due to interest capitalised.

(xiv) Profit for the financial year

As a result of the foregoing, our profit for the financial year from continuing operations increased by RM157.99 million or 26.8% from RM589.85 million for the FYE 30 June 2015 to RM747.84 million for the FYE 30 June 2016.

13.2.6 Liquidity and capital resources**(i) Working capital**

Our principal sources of liquidity are cash generated from our operations, external sources of funds including loans from financial institutions and borrowings from our related companies. Following the Listing, we expect to use the same principal sources of liquidity to fund our day-to-day working capital needs. Our ability to rely on these sources of funding could be affected by our results of operations and financial position and by the conditions in the Malaysian and international financial markets.

As at 30 June 2017, we have bank balances, deposits and cash of approximately RM494.2 million, which comprises deposits with licensed banks and cash in hand and bank of approximately RM316.6 million and RM177.6 million, respectively. Also, following the novation of the ICP/IMTN Programme (with a combined master limit of RM4.5 billion in nominal value) from SDB to our Company effective 29 September 2017, we are able to utilise the proceeds from issuances from the ICP/IMTN Programme to finance our Group's working capital requirements.

In addition, we have cash held under the Housing Development Accounts of approximately RM581.0 million. This represents payment received from purchasers of residential properties less payments or withdrawals allowed for under Section 7A of the Housing Developers (Control and Licensing) Amendment Act 2002. Prior to completion of the housing development projects and fulfilling all relevant obligations owing to the purchasers, the utilisation of the balances is restricted and can only be withdrawn from such account for the purpose of completing the particular projects.

Based on the above and taking into consideration our existing level of cash and bank balances, expected funds to be generated from cash flow from our operations, bank borrowings and facilities and credit sources, our Board is of the opinion that we will have adequate working capital for at least 12 months from the date of this Prospectus.

13. FINANCIAL INFORMATION (Cont'd)**(ii) Cash flows**

The following table sets out the summary of the historical consolidated statement of cash flows for our Group for the years indicated:

	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
Net cash flows			
Operating cash flows (used in)/from continuing operations	(292,024)	185,869	621,054
Operating cash flows used in discontinuing operations	(229,451)	(306,602)	(127,380)
Net cash (used in)/from operating activities	(521,475)	(120,733)	493,674
Investing cash flows (used in)/from continuing operations	(206,174)	127,038	(258,311)
Investing cash from discontinuing operations	2,283	3,651	18,535
Net cash (used in)/from investing activities	(203,891)	130,689	(239,776)
Financing cash flow from/(used in) continuing operations	549,864	(287,496)	(50,751)
Financing cash flow from/(used in) discontinuing operations	266,414	353,374	(12,081)
Net cash from/(used in) financing activities	816,278	65,878	(62,832)
Net increase in cash and cash equivalents	90,912	75,834	191,066
Exchange differences	(23,890)	10,709	32,078
Cash and cash equivalents at the beginning of the financial year	752,445	819,467	906,010
Cash and cash equivalents at the end of the financial year	819,467	906,010	1,129,154

Our Board is of the opinion that save as set out in Section 16.4(vii) of this Prospectus, there are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, loans or advances to meet our cash obligations, subject to availability of distributable reserves and/or loans or advances and compliance with legal requirements and financial covenants.

13. FINANCIAL INFORMATION (Cont'd)

(a) Net cash from / used in operating activities

For the FYE 30 June 2015, our operating cash flows before working capital changes for the continuing operations was approximately RM713.86 million. Our net cash used in operating activities for the continuing operations after taking into account the following key items, was approximately RM292.02 million:

- RM781.98 million increase in inventories primarily due to expenditures associated with land conversion premiums and land charges of RM375.30 million in relation to two new townships i.e. City of Elmina: Elmina West and Serenia City, the purchase of land in City of Elmina: Elmina West of RM221.60 million and costs for the development of office buildings at Oasis Damansara of RM107.07 million;
- RM322.90 million increase in trade and other receivables primarily due to financial institutions having yet to release payments to our Group in relation to property purchases and outstanding payments from cash purchasers and land buyers in respect of their progress billings;
- RM284.53 million increase in contract assets primarily due to the difference in timing of recognising revenue based on percentage of completion and the issuance of billing to our customers based on the criteria set out in the sales and purchase agreement which have yet to be met; and
- payment of tax of RM173.17 million.

The cash outflows above were partially offset by:

- RM552.52 million increase in trade and other payables primarily due to payment for the land purchase in City of Elmina: Elmina West amounting to RM221.60 million which was not fully paid i.e. only RM15.00 million was paid in the FYE 30 June 2015, higher retention sum due to contractors and higher accrual as invoices are yet to be received from vendors.

The net cash used in the activities for the discontinuing operations for the FYE 30 June 2015 of RM229.45 million was in relation to PEH.

For the FYE 30 June 2016, our operating profit before working capital changes for the continuing operations was approximately RM566.77 million. Our net cash generated from operating activities for the continuing operations after taking into account the following key items, was approximately RM185.87 million:

- RM282.69 million decrease in trade and other receivables primarily due to higher collection from financial institutions in relation to property purchases;
- RM97.07 million decrease in contract assets primarily due to the criteria set out in the sales and purchase agreement for the issuance of billing to majority of our customers have been met; and

13. FINANCIAL INFORMATION (Cont'd)

- RM40.89 million increase in trade and other payables primarily due to higher retention sum due to contractors and higher accrual as invoices have yet to be received.

The cash inflows above were partially offset by:

- RM662.02 million increase in inventories primarily due to expenditures associated with:
 - direct property development costs and infrastructure costs of RM374.20 million in relation to the new phases and townships in Putra Heights, KL East, Serenia City, Bandar Universiti Pagoh, Bandar Ainsdale and City of Elmina: Elmina East & West;
 - purchase of land in Kota Elmina of RM215.72 million; and
 - costs for the development of office buildings at Oasis Damansara of RM146.32 million; and
- payment of tax of RM140.70 million.

The net cash used in the activities for the discontinuing operations for the FYE 30 June 2016 of approximately RM306.60 million was in relation to PEH.

For the FYE 30 June 2017, our operating profit before working capital changes for the continuing operations was approximately RM527.78 million. Our net cash generated from operating activities for the continuing operations after taking into account the following key items, was approximately RM621.05 million:

- RM50.20 million decrease in trade and other receivables primarily due to higher collection from financial institutions in relation to property purchases;
- RM145.04 million decrease in contract assets primarily due to the criteria set out in the sales and purchase agreement for the issuance of billing to majority of our customers have been met;
- RM220.35 million increase in trade and other payables primarily due to higher retention sum due to contractors and higher accrual as invoices have yet to received; and
- Dividends received from Seriemas Development Sdn Bhd and SD REIT 1 of RM131.80 million and RM119.23 million, respectively. The dividends received from these associate and joint venture fall under operating activities as their respective business nature of property development and property investment are in-line with our business operations. Hence, the dividends received are deemed as return from the Group's business operations.

13. FINANCIAL INFORMATION (Cont'd)

The cash inflows above were partially offset by:

- RM431.27 million increase in inventories primarily due to expenditures associated with:
 - direct property development costs and infrastructure costs of RM517.34 million in relation to the new phases and townships in Bandar Bukit Raja, City of Elmina: Elmina East and West, Serenia City, ALYA, Bandar Ainsdale and other projects; and
 - reduction in finished goods mainly due to sale of completed units of RM100.61 million in ALYA Kuala Lumpur and Putra Heights; and
- Payment of tax of RM135.39 million.

The net cash used in the activities for the discontinuing operations for the FYE 30 June 2017 of approximately RM127.38 million was in relation to PEH.

(b) Net cash from / used in investing activities

For the FYE 30 June 2015, our net cash used in investing activities for the continuing operations of approximately RM206.17 million mainly comprised the following:

- additional capital injection of RM299.82 million for the joint venture Battersea Power Station project in United Kingdom;
- constructing costs for sales galleries located in KL East, City of Elmina: Elmina East and Nilai Impian as well as purchase of motor vehicles, equipment and fixture, amounted to approximately RM70.26 million; and
- advances for joint venture projects at Bukit Jelutong and Taman Melawati of approximately RM39.38 million.

The cash outflows above were partially offset by the proceeds from:

- the disposal of Subang Avenue Shopping Complex and other small investment properties of approximately RM156.12 million;
- partial payment from the disposal of our entire equity interest in our joint venture, Sime Darby Sunsuria Development Sdn Bhd of approximately RM15.70 million; and
- finance income of approximately RM22.57 million.

The net cash generated from the investing activities for the discontinuing operations for the FYE 30 June 2015 of RM2.28 million was in relation to PEH.

13. FINANCIAL INFORMATION (Cont'd)

For the FYE 30 June 2016, our net cash generated from investing activities for the continuing operations of approximately RM127.04 million mainly comprised the following:

- the sale of a parcel of land held as property, plant and equipment in Bayuemas for RM35.30 million;
- the disposal of three subsidiaries namely, Sime Darby Property (Dunearn) Private Limited, Sime Darby Property (Kilang) Private Limited and Syarikat Malacca Straits Inn Sdn Bhd, as well as remaining payment from the disposal of our entire equity interest in our joint venture, Sime Darby Sunsuria Development Sdn Bhd of approximately RM783.13 million; and
- finance income of approximately RM18.34 million.

The cash inflows above were partially offset by the following:

- additional capital injection of RM631.53 million for the joint venture Battersea Power Station project in United Kingdom;
- purchase of motor vehicles, equipment and fixtures mainly for the upgrading in Sime Darby Convention Centre and Darby Park Executive Suites, newly completed sales galleries in KL East and Nilai Impian and costs of constructing the sales gallery in ALYA Kuala Lumpur amounted to approximately RM49.18 million; and
- advances for joint venture projects at Bukit Jelutong of approximately RM31.93 million.

The net cash generated from the investing activities for the discontinuing operations for the FYE 30 June 2016 of RM3.65 million was in relation to PEH.

For the FYE 30 June 2017, our net cash used in the investing activities for the continuing operations of approximately RM258.31 million mainly comprised the following:

- additional capital injection of RM364.59 million and RM29.92 million for the joint venture Battersea Power Station project in United Kingdom and SD REIT 1, respectively;
- construction of KL Gallery Mall in Taman Melawati of RM109.34 million; and
- advances to our joint ventures, namely Sime Darby Sunrise Development Sdn Bhd and Sime Darby Capitaland (Melawati Mall) Sdn Bhd of approximately RM35.00 million and RM17.75 million, respectively.

13. FINANCIAL INFORMATION (Cont'd)

The cash outflows above were partially offset by the proceeds from:

- the disposal of our subsidiary, namely Sime Darby Property (Alexandra) of approximately RM222.36 million; and
- redemption of preference shares of SD REIT 1 of approximately RM63.04 million.

The net cash generated from the investing activities for the discontinuing operations for the FYE 30 June 2017 of RM18.54 million was in relation to PEH.

(c) Net cash from / used in financing activities

For the FYE 30 June 2015, our net cash generated from financing activities for the continuing operations of approximately RM549.86 million mainly comprised the following:

- proceed from issuance of additional redeemable preference shares of RM304.45 million, which was utilised as capital injection relating to Battersea Power Station project; and
- proceeds raised from bank borrowings, related companies and immediate holding company of approximately RM355.17 million, RM163.40 million and RM200.10 million respectively.

The cash inflows above were partially offset by the following:

- repayment of bank borrowings and payment of finance costs of approximately RM110.6 million and RM161.40 million, respectively; and
- dividends distributed by our Company to SDB and the non-controlling interests of a subsidiary of RM201.26 million.

The net cash generated from the financing activities for the discontinuing operations for the FYE 30 June 2015 of RM266.41 million was in relation to PEH.

For the FYE 30 June 2016, our net cash used in financing activities for the continuing operations of approximately RM287.50 million mainly comprised the following:

- repayment of bank borrowings and payment of finance costs for approximately RM108.04 million and RM179.87 million, respectively;
- repayment of borrowings to related companies of approximately RM678.26 million; and
- dividends distributed by our Group to SDB and to the non-controlling interests of a subsidiary of RM251.10 million.

The cash outflows above were partially offset by the following:

- proceed from issuance of additional redeemable preference shares of RM566.84 million, which was utilised as capital injection relating to Battersea Power Station project;

13. FINANCIAL INFORMATION (Cont'd)

- proceeds raised from bank borrowings of approximately RM115.33 million; and
- advances from Sime Darby Holdings Berhad of approximately RM250.07 million.

The net cash generated from the financing activities for the discontinuing operations for the FYE 30 June 2016 of RM353.37 million was in relation to PEH.

For the FYE 30 June 2017, our net cash used in financing activities for the continuing operations of approximately RM50.75 million mainly comprised the following:

- repayment of bank borrowings and payment of finance costs for approximately RM357.24 million and RM171.20 million, respectively;
- repayment of borrowings to related companies and immediate holding company of approximately RM2.58 million and RM83.03 million respectively; and
- dividends distributed by our Group to SDB of RM50.00 million.

The cash outflows above were partially offset by the following:

- proceed from issuance of additional redeemable preference shares of RM364.59 million, which was utilised as capital injection relating to Battersea Power Station project;
- proceeds raised from bank borrowings of approximately RM171.91 million; and
- shareholders' advances from our non-controlling interest of approximately RM76.80 million.

The net cash used in the financing activities for the discontinuing operations for the FYE 30 June 2017 of RM12.08 million was in relation to PEH.

13. FINANCIAL INFORMATION (Cont'd)**(iii) Borrowings**

The following table sets out our third party borrowings, all of which are interest-bearing, in respect of continuing operations as at 30 June 2017:

	<u>(RM'000)</u>
Non-current	
Secured:	
- Term loans	472,602
Unsecured:	
- Revolving credits	322,000
- Amounts due to non-controlling interests	144,125
Current	
Secured:	
- Term loans	69,154
Unsecured:	
- Revolving credits	161,000
Total borrowings	<u>1,168,881</u>

The maturities of the term loans and borrowings as at 30 June 2017 is as follows:

	<u>(RM'000)</u>
On demand or within one year	230,154
More than one year and less than two years	450,125
More than two years and less than five years	308,354
More than five years	180,248
Total borrowings	<u>1,168,881</u>

As at 30 June 2017, our Group does not have any foreign currency denominated borrowings. Further, as at 30 June 2017, all the borrowings of our Group are on floating interest rates.

We have met our obligations on payments of either interest or principal for all of our borrowings during the FYE 30 June 2017. As at the LPD, we are not in breach of any terms and conditions or covenants associated with credit arrangements or bank loans that can materially affect our financial position, results of business operations, or the investment by holders of our Shares.

13. FINANCIAL INFORMATION (Cont'd)**(iv) Amounts due to non-controlling interests**

Amounts due to non-controlling interests relate to shareholders' advances received by our subsidiaries. Interest at the rate of between 3.8% per annum to 4.5% per annum, 4.5% per annum to 4.95% per annum and 4.5% per annum to 4.95% per annum calculated on the outstanding amounts due to non-controlling interest is payable by our subsidiaries for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017, respectively. The amounts due to non-controlling interests are unsecured and there are no fixed repayment terms imposed. The amounts due shall however be repayable on demand. As at 30 June 2017, amounts due to non-controlling interests were RM144.1 million.

(v) Capital expenditure

The following table sets out our capital expenditure for the FYEs 30 June 2015, 30 June 2016 and 30 June 2017.

	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
Freehold land	542	-	-
Buildings	57,197	12,389	13,292
Plant and machinery	2,589	2,712	610
Vehicles, equipment and fixtures	10,310	34,276	12,396
Intangible assets	2,319	708	1,937
Investment property	1,336	1,136	109,604
Total	74,293	51,221	137,839

(vi) Commitments*(a) Capital commitment*

	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
<u>Authorised capital expenditure not provided for in the financial statements</u>			
Contracted:			
- Property, plant and equipment	20,507	-	25,294
- Land held for property development	5,560	5,560	718,560
- Investment properties	72,037	59,764	285,674
	98,104	65,324	1,029,528
Not contracted:			
- Property, plant and equipment	287	-	9,100
- Investment in joint ventures	2,693,790	1,941,300	1,615,219
	2,694,077	1,941,300	1,624,319
Total	2,792,181	2,006,624	2,653,847

13. FINANCIAL INFORMATION (Cont'd)

As at the LPD, save as disclosed below, there are no other material commitments incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material adverse impact on the financial position of our Group:

	(RM'000)
<u>Authorised capital expenditure not provided for in the financial statements</u>	
Contracted:	
- Property, plant and equipment	20,219
- Land held for property development	5,560
- Investment properties	236,278
	<u>262,057</u>
Not contracted:	
- Property, plant and equipment	13,466
- Investment in joint ventures	1,591,994
	<u>1,605,460</u>
Total	<u>1,867,517</u>

The following table sets out our capital expenditures by countries as at the LPD:

	(RM'000)
<u>Country</u>	
Malaysia	239,783
UK	1,627,734
Total	<u>1,867,517</u>

Our actual capital expenditures may vary from our projected amounts due to various factors, including changes in market conditions, our ability to generate sufficient cash flows from operations, our ability to obtain adequate financing for these planned capital expenditures, demand for our products, governmental policies regarding the industry in which we operate and the condition of the global economy. In addition, our planned capital expenditures do not include any expenditure for potential acquisitions or investments that we may evaluate from time to time.

We expect to meet our capital expenditure requirements via our internally-generated funds (which includes our cash and cash equivalents on hand and cash generated from future operations), bank borrowings, facilities and other credit sources.

	FYE 30 June		
	2015	2016	2017
	(RM'000)	(RM'000)	(RM'000)
<u>Leases</u>			
Commitments under non-cancellable operating leases:			
- Expiring not later than one year	3,718	2,839	1,366
- Expiring later than one year and not later than five year	3,071	1,402	628
	<u>6,789</u>	<u>4,241</u>	<u>1,994</u>

13. FINANCIAL INFORMATION (Cont'd)

The following table sets out the leases of our Group as at the LPD:

	(RM'000)
<u>Leases</u>	
Commitments under non-cancellable operating leases:	
- Expiring not later than one year	722
- Expiring later than one year and not later than five year	488
	<u>1,210</u>

The lease commitments above are expected to be funded via our internally-generated funds.

(b) Our Group's commitment in relation to its joint venture

Pursuant to the subscription and shareholders' agreements entered into between Setia International, S P Setia, Kwasa Global, Kwasa Jersey, SD Property (Hong Kong) and/or our Company, as the case may be, the shareholders are committed to subscribe for shares in BPHCL, Battersea Power Station Development Company Limited and/or Battersea Power Station Estates Limited in proportion to their respective shareholdings when a capital call is made for the purpose of ensuring the respective company and its subsidiaries are able to meet their respective funding obligations.

(vii) Contingent liabilities

As at the LPD, our Board confirms that we do not have any contingent liabilities which upon becoming enforceable, may have a material adverse impact on our financial results or financial position.

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13. FINANCIAL INFORMATION (Cont'd)

(viii) Material divestitures

Save as disclosed below, there have not been any material divestitures undertaken by us for the FYEs 30 June 2015, 30 June 2016, 30 June 2017 and up to the LPD:

Description of transaction	Transaction value			From 1 July 2017 up to the LPD
	FYE 30 June			
	2015	2016	2017	
Disposal of Subang Avenue Shopping Complex	RM139.5 million	-	-	-
Disposal of Sime Darby Sunsuria Development Sdn Bhd	RM157.3 million	-	-	-
Disposal of Sime Darby Property (Dunearn) Private Limited	-	SGD184 million (equivalent to RM546.7 million)	-	-
Disposal of Sime Darby Property (Kilang) Private Limited	-	SGD22.3 million (equivalent to RM66.4 million)	-	-
Disposal of Sime Darby Property (Alexandra) Private Limited	-	SGD82.5 million (equivalent to RM249.0 million) ⁽¹⁾	-	-
Disposal of Syarikat Malacca Straits Inn Sdn Bhd	-	RM55.4 million ⁽²⁾	-	-
Disposal of a parcel of land, held as fixed assets, approximately 10.13 acres in Bayuemas	-	RM35.3 million	-	-
Disposal of Seriemas Development Sdn Bhd group	-	-	-	RM625 million ⁽³⁾
Disposal of Malaysia Land Development Company Berhad group	-	-	-	RM60 million ⁽⁴⁾

Notes:

- (1) The sale and purchase agreement was entered in the FYE 30 June 2016 whilst the gain on disposal was only recognised in the FYE 30 June 2017.
- (2) Based on our effective equity interest in Syarikat Malacca Straits Inn Sdn Bhd.
- (3) The disposal of our Group's entire 40% equity interest in Seriemas Development Sdn Bhd was completed on 29 September 2017 for a cash consideration of RM625 million, resulting in a gain on disposal of RM278 million.
- (4) The disposal of Malaysia Land Development Company Berhad group was completed on 19 September 2017 for a cash consideration of RM1 and settlement by the purchaser of the shareholder's loan and any other liabilities owing by Malaysia Land Development Company Berhad group for a settlement amount of RM60 million, resulting in a gain on disposal of RM41 million.

As at the LPD, we do not have any uncompleted material divestitures.

13. FINANCIAL INFORMATION (Cont'd)**(ix) Material litigation or arbitration proceedings**

As at the LPD, our Board confirms that, save as disclosed in Section 16.5 of this Prospectus, there are no other pending governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

(x) Key financial ratios

The following table sets forth certain key financial ratios of our Group as at 30 June 2015, 30 June 2016 and 30 June 2017:

	As at 30 June		
	2015	2016	2017
Trade receivables (net of stakeholder fund and contract assets) (RM' 000)	783,102	398,488	436,153
Trade receivables turnover period (months) ⁽¹⁾	2.9	1.9	2.0
Trade payables (net of retention sum) (RM' 000)	373,570	393,656	385,478
Trade payables turnover period (months) ⁽²⁾	2.1	2.9	2.7
Inventory turnover period (months) ⁽³⁾	18.4	32.3	31.8
Current ratio (times) ⁽⁴⁾	2.71	2.63	2.79
Gearing ratio I (times) ⁽⁵⁾	0.95	0.78	0.49
Gearing ratio II (times) ⁽⁶⁾	0.40	0.39	0.18

Notes:

- (1) Computed as trade receivables divided by revenue during the period, multiplied by the number of months in the period. Trade receivables exclude stakeholders' monies and contract assets.
- (2) Computed as trade payables net of retention sum divided by total direct expenses (excluding trade payables and direct expenses for discontinuing operations) during the period, multiplied by the number of months in the period.
- (3) Computed as inventories (exclude land held for property development) divided by direct costs during the period, multiplied by the number of months in the period.
- (4) Computed as current assets over current liabilities.
- (5) Computed as total borrowings (including interest-bearing inter-company loans and amount due to non-controlling interest) over total equity.
- (6) Computed as total external borrowings (excluding interest-bearing inter-company loans) over total equity.

(a) Trade receivables

Our trade receivables turnover period decreased from 2.9 months for the FYE 30 June 2015 to 1.9 months for the FYE 30 June 2016. The trade receivables turnover period of 2.9 months and 1.9 months for the respective financial years were within the credit period that we typically extend to our customers, normally between one to three months. The higher trade receivables turnover period for the FYE 30 June 2015 was mainly due to high percentage of commercial transactions involving land sales with longer credit period towards the later part of the financial year.

Our trade receivables turnover period increased slightly from 1.9 months for the FYE 30 June 2016 to 2.0 months for the FYE 30 June 2017.

13. FINANCIAL INFORMATION (Cont'd)

The aging analysis for trade receivables as at 30 June 2017 is as follows:

	Current	Past due					Impaired	Total
		1 - 30 days	31 - 60 days	61 - 90 days	91 - 180 days	More than 180 days		
Trade receivables as at 30 June 2017 (RM'000)	296,787	80,263	32,440	24,248	49,587	15,184	33,307	531,816
% of total trade receivables	55.8	15.1	6.1	4.6	9.3	2.9	6.3	100.0
As at the LPD:								
Trade receivables collected (RM'000) /								
(% of trade receivables as at 30 June 2017)	221,220 / (74.5)	31,477 / (39.2)	14,817 / (45.7)	8,038 / (33.1)	12,737 / (25.7)	11,285 / (74.3)	- / (-)	299,574 / (56.3)
Trade receivables outstanding (RM'000)	75,567	48,786	17,623	16,210	36,850	3,899	33,307	232,242

(b) Trade payables

The normal credit period given by our trade creditors ranges from one month to three months. As at 30 June 2016, total trade payables net of retention sum amounted to RM393.7 million. Our trade payables turnover period increased from about 2.1 months for the FYE 30 June 2015 to about 2.9 months for the FYE 30 June 2016 in line with the built up of the inventory amount from the upfront infrastructure development activities for newly launched developments with relatively lower cost of sales being charged out.

Our trade payable turnover period decreased slightly from 2.9 months for the FYE 30 June 2016 to 2.7 months for the FYE 30 June 2017.

The aging analysis for trade payables as at 30 June 2017 is as follows:

	Current	Past due					Total
		1 - 30 days	31 - 60 days	61 - 90 days	91 - 180 days	More than 180 days	
Trade payables as at 30 June 2017 (RM'000)	212,372	160,304	972	1,658	2,006	220,538	597,850
% of total trade payables	35.5	26.8	0.2	0.3	0.3	36.9	100.0
Trade payables settled as at the LPD (RM'000)	1,224	142,006	524	1,601	1,075	125,468	271,898

(c) Inventories

Our inventories comprised of property development costs and finished goods, as well as land held for property development which is non-current asset. Property development costs represent the major component of our inventories and comprises cost of land, direct building costs and related common costs to projects less amounts recognised in the profit or loss.

13. FINANCIAL INFORMATION (Cont'd)

Our inventory turnover period increased from 18.4 months for the FYE 30 June 2015 to 32.3 months for the FYE 30 June 2016. This was mainly due to increase in the property development costs resulting from the launches of high-rise stratified development towards the end of the FYE 30 June 2016 in Ara Damansara and KL East, higher upfront infrastructure costs incurred for newly launched developments for Serenia City, Bandar Universiti Pagoh, Bandar Ainsdale and City of Elmina: Elmina West and unsold units/inventories from major developments such as East Residences at ALYA Kuala Lumpur and The Glades at Putra Heights.

Our inventory turnover period slightly decrease from 32.3 months for the FYE 30 June 2016 to 31.8 months for the FYE 30 June 2017.

(d) *Current ratio*

Our current ratio decreased slightly from 2.71 times for the FYE 30 June 2015 to 2.63 for the FYE 30 June 2016.

Our current ratio increased from 2.63 times for the FYE 30 June 2016 to 2.79 times for the FYE 30 June 2017.

(e) *Gearing ratio*

Our gearing ratio improved by 0.17 times in the FYE 30 June 2016, primarily due to increase in total equity in the FYE 30 June 2016 pursuant to issuance of redeemable preference shares of RM566.84 million, which was utilised as capital injection relating to the Battersea Power Station project.

Our gearing ratio decreased from 0.78 times for the FYE 30 June 2016 to 0.49 times for the FYE 30 June 2017, mainly due to decrease in borrowings in FYE 30 June 2017 pursuant to repayment of bank borrowings and borrowings to related companies and immediate holding companies of RM357.24 million and RM85.61 million, respectively, and liabilities in relation to PEH of RM895.40 million being reclassified to liabilities associated with assets held for sale.

The decrease in gearing ratio is also mainly due to increase in total equity in the FYE 30 June 2017 pursuant to issuance of redeemable preference shares of RM364.59 million, which was utilised as capital injection relating to the Battersea Power Station project.

13. FINANCIAL INFORMATION (Cont'd)**13.2.7 Financial risk management objectives and policies**

Our Group is exposed to a variety of financial risks, including foreign currency exchange risk, price risk, interest rate risk, credit risk and liquidity and cash flow risks. The overall financial risk management objective is to minimise potential adverse effects on our financial performance.

Financial risk management is carried out through risk review, internal control systems, insurance programmes and adherence to our group policies and authorities. Our Directors regularly review these risks and approve the policies covering the management of these risks. We do not trade in derivative instruments and do not use any hedging instruments.

(i) Foreign currency exchange risk

The bulk of our Group's foreign currency relates to our subsidiaries' functional currencies. Our Group is exposed to foreign currency exchange risk as a result of our Group's financial assets and liabilities denominated in a currency that is not the functional currency. Our Directors are of the view that exposure to foreign currency exchange risk is minimal and our management regularly monitors the foreign exchange currency fluctuations.

(ii) Price risk

Our Group is exposed to quoted securities price risk arising from investments held which are classified in the statements of financial position as available-for-sale financial assets. Our Group considers the impact of changes in prices of equity securities on profit before tax to be insignificant.

(iii) Interest rate risk

Our Group's interest rate risk arises from its borrowings, loan due to related companies and deposits placed with financial institutions.

Our Group manages its interest rate' risk on its borrowings and loan due to related companies by closely monitoring the interest rate fluctuation. Our Group also regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risks.

Our Group's interest bearing assets are primarily short-term bank deposits with financial institutions. The interest rates on these deposits are monitored closely to ensure that they are maintained at favourable rates. Our Group considers the risk of significant changes to interest rates on deposits to be unlikely.

13. FINANCIAL INFORMATION (Cont'd)**(iv) Credit risk**

Financial assets that are primarily exposed to credit risk are receivables, cash and bank balances.

(a) Credit risk arising from sales made on credit terms

Our Group seeks to control credit risk by dealing with counterparties with appropriate credit histories. Third party agencies' ratings are considered, if available. In addition, customers' most recent financial statements, payment history and other relevant information are considered in the determination of credit risk. Counterparties are assessed at least annually and more frequently when information on significant changes in their financial position becomes available. Credit terms and limit are set based on this assessment and where appropriate, guarantees or securities are obtained to limit credit risk.

(b) Credit risk arising from property development

Our Group does not have any significant credit risk as its services and products are predominantly rendered and sold to a large number of customers using financing from reputable end-financiers. Our Group does not have any significant exposure to any individual or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Credit risks with respect to trade receivables are limited as the ownership and rights to the properties revert to our Company in the event of default.

(c) Credit risk arising from property investment

Credit risk arising from outstanding receivables from tenants is minimised and monitored by limiting our Group's associations to business partners with high credit worthiness. Furthermore, the tenants have placed security deposits with our Group which act as collateral. As at 30 June 2017, the carrying value of the collateral is RM1.6 million as compared to RM1.4 million as at FYE 30 June 2016.

(d) Credit risk arising from golfing and sporting

Concentration of credit risk with respect to amounts due from members is limited due to the large number of members, the security deposits paid by members and advanced payment of annual licence fees for individual members. Sales and incentives for members are usually suspended when outstanding amounts are overdue exceeding 180 days.

(e) Credit risk arising from deposits with licensed banks

Credit risk also arises from deposits with licensed banks. The deposits are placed with credit worthy financial institutions. Our Group consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

13. FINANCIAL INFORMATION (Cont'd)

(f) *Credit risk arising from other receivables*

Concentration of credit with respect to the other receivables is limited due to our Group's large number of customers. Our Group's historical experience in collection of other receivables falls within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in our other receivables.

(v) **Liquidity and cash flow risk**

Liquidity risk refers to the risk that we will encounter difficulty in meeting financial obligations when it falls due. Our Group maintains a prudent borrowing policy which is aimed towards maintaining sufficient cash for all cash flow requirements, managing debt and investment portfolio within the relevant time buckets to maturity, obtaining a diverse range of funding sources and keeping an adequate amount of credit facilities.

13.2.8 Treasury policies and objectives

Our treasury responsibilities is to ensure that we have sufficient liquidity and cash to meet financial obligations when it falls due. Our principal sources of liquidity are our cash and bank balances, cash generated from our operations and borrowings from financial institutions.

We maintain a prudent borrowing policy which is aimed towards maintaining sufficient cash for all cash flow requirements, managing debt and investment portfolio within the relevant time buckets to maturity, obtaining a diverse range of funding source and keeping an adequate amount of credit facilities. With a series of appropriate governance and policies in place, it is the responsibility of treasury to identify, quantify, monitor and control the risks (liquidity, interest, credit, legal and regulatory) associated with these activities.

We prepare monthly forecasts taking into account all major transactions to ensure we have sufficient liquidity and cash to meet our obligation. Any excess funds, which are temporary in nature, will be invested in highly liquid investment instruments such as interest bearing current accounts, time deposits and money market deposits. On a quarterly basis, we perform rolling twelve-month cash flow projections to ensure that requirements are identified as early as possible and we have sufficient cash to meet operational needs. Such projections take into consideration our Group's financing plans and are also used for monitoring of external loans' covenant compliance.

We maintain centralised treasury functions where all strategic funding requirements are managed.

13.2.9 Inflation

We do not believe that inflation has had a material impact on our business, financial condition or results of operations for the financial periods presented. However, inflation may affect our financial performance by increasing certain of our operating expenses, including expenses relating to labour costs, material costs, administrative expenses and other operating expenses. Any increase in the inflation rate beyond levels experienced in the past may affect our operations and financial performance if we are unable to fully offset higher costs through increased revenues.

13. FINANCIAL INFORMATION (Cont'd)

13.2.10 Order book

Due to the nature of our business, we do not maintain an order book. For further details, please refer to Section 7 of this Prospectus.

13.2.11 Government/economic/fiscal/monetary policies

For information on any government, economic, fiscal or monetary policies or factors which could materially affect our operations, please refer to Section 5 of this Prospectus.

13.2.12 Prospects and trends

Except as disclosed in Sections 5, 8 and 13.2 of this Prospectus, our Board confirms that there are no other known trends, factors, demands, commitments, events or uncertainties that are reasonably likely to have a material effect on our business, financial condition and results of operations.

13.2.13 Significant changes

Save as disclosed in this Prospectus, no significant changes have occurred which may have a material effect on the financial position and results of our Group since 30 June 2017.

13.2.14 Standards issued that are not yet effective

Our Group has not applied the following new standards, amendments and interpretation that have been issued by Malaysian Accounting Standards Board ("MASB"), which may be relevant to our operations:

- (i) Effective for financial year beginning on or after 1 July 2017:
 - (a) Amendments to *MFRS 107 - Statement of Cash Flows* - introduce an additional disclosure on changes in liabilities arising from financing activities.
 - (b) Amendments to *MFRS 112 - Income Taxes* - clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.
- (ii) Effective for financial year beginning on or after 1 July 2018
 - (a) *MFRS 9 - Financial Instruments* will replace *MFRS 139 - Financial Instruments: Recognition and Measurement* - introduces a single model that has only two classification categories: amortised costs and fair value. All instruments are to be measured at fair value except for debt instruments that qualify for amortised cost accounting. It allows an option to present fair value changes in equity instruments in profit or loss or other comprehensive income and it is an irrevocable election on initial recognition.
 - (b) *Amendments to MFRS 140 - Classification on Change in Use* - assets transferred to, or from, Investment Properties' - clarify that to transfer to, or from investment properties there must be a change in use. A change in use would involve an assessment of whether a property meets, or has ceased to meet, the definition of investment property.

13. FINANCIAL INFORMATION (Cont'd)

(c) *IC Interpretation 22 - Foreign Currency Transactions and Advance Consideration* - provides guidance how to determine 'the date of transaction' when a single payment/ receipt is made, as well as for situations where multiple payments/ receipts are made. The date of transaction is the date when the payment or receipt of advance consideration gives rise to the non-monetary asset or non-monetary liability when the entity is no longer exposed to foreign exchange risk.

(iii) Effective for financial year beginning on or after 1 July 2019

MFRS 16 - Leases supersedes *MFRS 117 - Leases* and the related interpretations - sets out the principles for the recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

IC Interpretation 23 provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

(iv) The effective date for the following amendments has been deferred to a date to be determined by MASB

Amendments to MFRS 10 – Consolidated Financial Statements and *MFRS 128 – Investments in Associates and Joint Ventures*

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13. FINANCIAL INFORMATION (Cont'd)**13.3 CAPITALISATION AND INDEBTEDNESS**

The following table sets forth our Group's capitalisation and indebtedness information in respect of continuing operations based on the unaudited management accounts of our Group as at 30 September 2017.

The pro forma financial information below has been prepared for illustrative purposes only based on certain assumptions and does not represent our Group's actual cash and cash equivalents, capitalisation and indebtedness as at 30 September 2017.

	<u>Historical</u> <u>Unaudited as at</u> <u>30 September</u> <u>2017⁽²⁾</u> <u>(RM'000)</u>	<u>Pro Forma I</u> <u>After Pre-listing</u> <u>Exercise and the</u> <u>Listing</u> <u>(RM'000)</u>
Indebtedness:		
Non-current		
<u>Secured</u>		
- term loans	264,210	264,210
- Islamic financing	222,368	222,368
<u>Unsecured</u>		
- revolving credits	234,500	234,500
- amounts due to non-controlling interests	145,443	145,443
- inter-company loan	2,186,666	-
Current		
<u>Secured</u>		
- term loans	13,515	13,515
- Islamic financing	48,003	48,003
<u>Unsecured</u>		
- revolving credits	172,290	172,290
- Inter-company current accounts	972,430	-
Total indebtedness	4,259,425	1,100,329
Total shareholders' equity	6,927,181	9,822,524
Non-controlling interest	223,196	223,196
Total equity	7,150,377	10,045,720
Total capitalisation and indebtedness	11,409,802	11,146,049
Gearing ratio (times)⁽¹⁾	0.60	0.11

Notes:

- (1) Gearing ratio is computed based on total indebtedness in respect of continuing operations divided by total equity.
- (2) The material transactions as detailed in Section 13.4, Para 3 of this Prospectus have been completed and are reflected in the historical position as at 30 September 2017.
- (3) The above indebtedness excludes borrowings related to liabilities associated with assets held for sale of RM895.4 million.

13. FINANCIAL INFORMATION (Cont'd)**13.4 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

The Board of Directors
Sime Darby Property Berhad
Level 10, Block G
No. 2, Jalan PJU 1A/7A
47301 Petaling Jaya
Selangor Darul Ehsan

20 November 2017

PwC/AZ/HCY/HC/py/o249C

Dear Sirs,

Sime Darby Property Berhad
Report on the Compilation of Pro Forma Consolidated Statements of Financial Position

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position as at 30 June 2017 of Sime Darby Property Berhad (“the Company”) and its subsidiaries (“the Group”) together with the Notes thereon (collectively known as the “Pro Forma Consolidated Statements of Financial Position”). The Pro Forma Consolidated Statements of Financial Positions which are set out in the Appendix (which we have stamped for the purpose of identification), have been compiled by the Directors of the Company (“the Directors”) for inclusion in the Prospectus to be issued by the Company in connection with the listing and quotation of the entire enlarged issued ordinary share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad (“the Listing”).

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in the Notes thereon to the Appendix and are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia (“Prospectus Guidelines”).

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Directors, for illustrative purposes only, to show the effects of the transactions as set out in the Notes thereon to the Appendix on the Group’s Consolidated Statements of Financial Position presented had these transactions been effected at the date stated. As part of this process, information about the financial position of the Group has been extracted by the Directors from the Group’s audited statement of financial position as at 30 June 2017.

*PricewaterhouseCoopers (AF 1146), Chartered Accountants,
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T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my*

13. FINANCIAL INFORMATION (Cont'd)

**The Board of Directors
Sime Darby Property Berhad
PwC/AZ/HCY/HC/py/0249C
20 November 2017**

**Sime Darby Property Berhad
Report on the Compilation of Pro Forma Consolidated Statements of Financial Position
(continued)**

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis set out in the Notes thereon to the Appendix and in accordance with the requirements of the Prospectus Guidelines.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility for the Pro Forma Consolidated Statements of Financial Position

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis set out in the Notes thereon to the Appendix.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("IASE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in the Notes thereon to the Appendix.

13. FINANCIAL INFORMATION (Cont'd)



**The Board of Directors
Sime Darby Property Berhad
PwC/AZ/HCY/HC/py/0249C
20 November 2017**

**Sime Darby Property Berhad
Report on the Compilation of Pro Forma Consolidated Statements of Financial Position
(continued)**

Reporting Accountants' Responsibility for the Pro Forma Consolidated Statements of Financial Position
(continued)

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances. The engagement also involves evaluating overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

13. FINANCIAL INFORMATION (Cont'd)



The Board of Directors
Sime Darby Property Berhad
PwC/AZ/HCY/HC/py/0249C
20 November 2017

Sime Darby Property Berhad
Report on the Compilation of Pro Forma Consolidated Statements of Financial Position
(continued)

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in the Notes thereon to the Appendix.

Other matter

This report is issued for the sole purpose of inclusion in the Prospectus in connection with the Listing and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any transaction other than the Listing.

A handwritten signature in black ink, appearing to read 'Kiatu Syam'.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Azizan Bin Zakaria'.

AZIZAN BIN ZAKARIA
(No. 2930/05/18 (J))
Chartered Accountant

13. FINANCIAL INFORMATION (Cont'd)

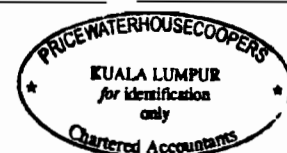
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SIME DARBY PROPERTY BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

The Pro Forma Consolidated Statements of Financial Position ("SOFP") as at 30 June 2017 have been prepared for illustrative purposes only to show the effects on the audited Consolidated Statement of Financial Position of Sime Darby Property Berhad ("the Company") as at 30 June 2017 based on the assumption that the transactions set out in Notes 3 and 4 had been effected on that date, and should be read in conjunction with the notes thereon.

(Amounts in RM'000 unless stated otherwise)	<u>Audited</u>	<u>Pro Forma I</u>	<u>Pro Forma II</u>
	<u>Consolidated SOFP as at 30.6.2017</u>	<u>After Completed Material Transactions</u>	<u>After Pro Forma I, Pre-listing Restructuring Exercise and the Listing</u>
NON-CURRENT ASSETS			
Property, plant and equipment	824,398	824,398	824,398
Prepaid lease rentals	-	-	-
Investment properties	474,221	474,221	474,221
Inventories	1,227,225	1,916,812	1,916,812
Joint ventures	1,967,983	1,967,983	1,967,983
Associates	138,596	138,596	138,596
Available-for-sale financial assets	46,341	46,341	46,341
Intangible assets	5,386	5,386	5,386
Deferred tax assets	452,521	452,521	452,521
Trade and other receivables	61,275	61,275	61,275
Contract assets	-	-	-
	<u>5,197,946</u>	<u>5,887,533</u>	<u>5,887,533</u>
CURRENT ASSETS			
Inventories	4,579,438	4,579,438	4,579,438
Prepaid lease rentals	-	-	-
Trade and other receivables	682,533	682,533	682,533
Contract assets	167,862	167,862	167,862
Tax recoverable	27,818	27,818	27,818
Cash held under Housing Development			
Accounts	581,049	581,049	581,049
Bank balances, deposits and cash	494,211	1,110,057	676,416
	<u>6,532,911</u>	<u>7,148,757</u>	<u>6,715,116</u>
Assets held for sale	2,222,866	1,884,602	1,884,602
	<u>8,755,777</u>	<u>9,033,359</u>	<u>8,599,718</u>
TOTAL ASSETS	<u>13,953,723</u>	<u>14,920,892</u>	<u>14,487,251</u>
EQUITY			
Share capital	2,405,496	2,405,496	6,800,839
Contribution from immediate holding company	1,500,000	1,500,000	-
Reserves	94,691	94,691	94,691
Retained earnings	2,322,990	2,600,572	2,734,244
Equity attributable to owner of the Company	6,323,177	6,600,759	9,629,774
Non-controlling interests	264,724	264,724	265,896
TOTAL EQUITY	<u>6,587,901</u>	<u>6,865,483</u>	<u>9,895,670</u>



13. FINANCIAL INFORMATION (Cont'd)

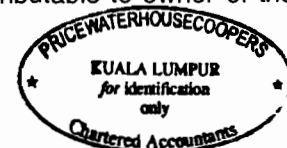
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SIME DARBY PROPERTY BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

(Amounts in RM'000 unless stated otherwise)	Audited	Pro Forma I	Pro Forma II
	Consolidated SOFP as at 30.6.2017	After Completed Material Transactions	After Pro Forma I, Pre-listing Restructuring Exercise and the Listing
NON-CURRENT LIABILITIES			
Borrowings	938,727	938,727	938,727
Provisions	160,923	160,923	160,923
Contract liabilities	260,746	260,746	260,746
Deferred tax liabilities	33,880	33,880	33,880
Loans due to related companies	2,229,691	2,229,691	-
Other payables	136	136	136
	<u>3,624,103</u>	<u>3,624,103</u>	<u>1,394,412</u>
CURRENT LIABILITIES			
Trade and other payables	2,047,605	2,737,192	1,487,035
Borrowings	230,154	230,154	230,154
Provisions	15,983	15,983	15,983
Contract liabilities	11,495	11,495	11,495
Tax payable	39,121	39,121	55,141
	<u>2,344,358</u>	<u>3,033,945</u>	<u>1,799,808</u>
Liabilities associated with assets held for sale	1,397,361	1,397,361	1,397,361
	<u>3,741,719</u>	<u>4,431,306</u>	<u>3,197,169</u>
TOTAL LIABILITIES	<u>7,365,822</u>	<u>8,055,409</u>	<u>4,591,581</u>
TOTAL EQUITY AND LIABILITIES	<u>13,953,723</u>	<u>14,920,892</u>	<u>14,487,251</u>
Number of ordinary shares ('000)	1,000,000	1,000,000	6,800,839
Net assets per ordinary share (RM) ⁽¹⁾	6.32	6.60	1.42
Total borrowings (RM'000) ⁽²⁾	4,134,802	4,134,802	2,064,545
Cash held under Housing Development Accounts (RM'000)	581,049	581,049	581,049
Bank balances, deposits and cash (RM'000)	494,211	1,110,057	676,416
Equity attributable to owner of the Company (RM'000)	6,323,177	6,600,759	9,629,774
Gearing ratio (times) ⁽³⁾	0.65	0.63	0.21
Net gearing ratio (times) ⁽⁴⁾	0.48	0.37	0.08

- (1) Net assets per ordinary share is calculated as equity attributable to owner of the Company divided by number of ordinary shares in issue.
- (2) Total borrowings comprise the current and non-current borrowings, interest-bearing loans due to related companies within non-current liabilities of RM2,070.3 million, interest payable of RM0.3 million and borrowings related to liabilities associated with assets held for sale of RM895.4 million.
- (3) Gearing ratio is calculated as total borrowings divided by equity attributable to owner of the Company.
- (4) Net gearing ratio is calculated as total borrowings less cash held under Housing Development Accounts, bank balances, deposits and cash divided by equity attributable to owner of the Company.



13. FINANCIAL INFORMATION (Cont'd)APPENDIX
Page 3**SIME DARBY PROPERTY BERHAD****PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)****1. INTRODUCTION**

The Pro Forma Consolidated Statements of Financial Position of Sime Darby Property Berhad ("the Company") and its subsidiaries ("the Group") as at 30 June 2017 (the "Pro Forma Consolidated SOFP") together with the notes thereon, for which the Directors are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus in connection with the listing and quotation of the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("the Listing").

The Pro Forma Consolidated SOFP together with the notes thereon has been prepared based on the assumption that the transactions as set out in Notes 3 and 4 were effected on 30 June 2017.

2. BASIS OF PREPARATION

The Pro Forma Consolidated SOFP as at 30 June 2017 has been prepared based on the audited consolidated statement of financial position of the Company as at 30 June 2017 which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), and in a manner consistent with the format of financial statements and accounting policies of the Group.

The Pro Forma Consolidated SOFP as at 30 June 2017 has been prepared for illustrative purposes only to show the effects of the transactions as set out in Notes 3 and 4 on the audited consolidated statement of financial position as at 30 June 2017 had the transactions been effected on 30 June 2017, and should be read in conjunction with the notes in this Section. Such information, because of its hypothetical nature, does not give a true picture of the actual effects of the transactions or event on the financial information presented had the transaction or event occurred on 30 June 2017. Further, such information does not purport to predict the Group's future financial position.

The audit report on the audited consolidated financial statements of the Group for the financial year ended 30 June 2017 used in the preparation of the Pro Forma Consolidated SOFP was not subject to any qualification.



13. FINANCIAL INFORMATION (Cont'd)

APPENDIX
Page 4

SIME DARBY PROPERTY BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

3 COMPLETED MATERIAL TRANSACTIONS

Prior to the Pre-Listing Restructuring Exercise and the Listing as disclosed in Note 4 below, the following material transactions have been completed. The effects of the Completed Material Transactions prior to the Listing were illustrated for purposes of the Pro Forma Consolidated SOFP as it affects the quantum of settlement of intercompany balances as set out in Note 4.1(ii).

3.1 Disposal of Seriemas Development Sdn Berhad

On 31 July 2017, the Company entered into an agreement to dispose of its entire 40% equity interest in Seriemas Development Sdn Berhad ("Seriemas"), an associate, to PNB Development Sdn Berhad for a consideration of RM625.0 million. The transaction was completed on 29 September 2017. The gain from the disposal is RM277.6 million as set out below:

	RM'000
Sales consideration for disposal of investment in Seriemas, net of transaction costs of RM9.2 million	615,846
Less: Carrying value of investment in Seriemas (classified within Assets Held for Sale)	338,264
Gain on disposal	<u>277,582</u>

3.2 Acquisition of MVV Land

On 9 June 2017, the Company entered into a sale and purchase agreement with Sime Darby Plantation Berhad (formerly known as Sime Darby Plantation Sdn Bhd) to acquire about 1,880 acres of land ("MVV Land") for a total consideration of RM689,587,408. This is a pre-listing internal restructuring transaction, which is not inter-conditional upon the Listing, and was completed on 29 September 2017.



13. FINANCIAL INFORMATION (Cont'd)

APPENDIX
Page 5

SIME DARBY PROPERTY BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

4 PRE-LISTING RESTRUCTURING EXERCISE AND THE LISTING

The pre-listing restructuring transactions below are undertaken to facilitate the Listing, which are inter-conditional.

4.1 Pre-listing Restructuring Exercise

- (i) Redemption of the entire RM1,405,496,300 Redeemable Preference Shares ("RPS") registered under Sime Darby Berhad is fully satisfied via the issuance of 1,405,496,300 new ordinary shares fully paid-up in the capital of the Company at RM1.00 per share to Sime Darby Berhad ("the Redemption"). Upon completion of the Redemption, the issued ordinary share capital ("the Ordinary Shares") of the Company is increased from RM1,000,000,000 to RM2,405,496,300.
- (ii) Settlement of amounts due to related companies after taking into consideration debt waiver, partial payment of amounts due to related companies including consideration for the purchase of MVV Land as analysed below:

(in RM'000)	Contribution from SDB	Loans due to related companies	Amounts due to related companies within trade and other payables	Total
Total contribution and intercompany loans from SDB Group as at 30 June 2017	1,500,000	2,229,691	536,514	4,266,205
Less: Waiver of Robt Bradford group Loans*	-	(159,864)	-	(159,864)
Add: Consideration for purchase of MVV Land	-	-	689,587	689,587
Less: Repayment of amounts due to related companies	-	-	(400,585)	(400,585)
Balance of intercompany loans and contribution from SDB	<u>1,500,000</u>	<u>2,069,827</u>	<u>825,516</u>	<u>4,395,343</u>

- * Waiver of loans provided by Sime Darby Far East (1991) Limited, a subsidiary of SDB to Robt Bradford and Robt Bradford Hobbs Savill, subsidiaries of the Company. The estimated tax effect of the waiver amounted to RM16.0 million.

Upon completion of the Pre-Listing Restructuring Exercise above, the remaining loans due to related companies, amounts due to related companies (which are rationalised and converted into amount due to SDB) and contribution from SDB totalling RM4,395,343,077 are capitalised via the issuance of new Ordinary Shares in the Company. Consequently, the share capital of the Company is increased from RM2,405,496,300 to RM6,800,839,377.



13. FINANCIAL INFORMATION (Cont'd)APPENDIX
Page 6**SIME DARBY PROPERTY BERHAD****PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)****4 PRE-LISTING RESTRUCTURING EXERCISE AND THE LISTING (CONTINUED)****4.2 Distribution of the Company's Shares**

Following the Pre-Listing Restructuring Exercise, SDB will distribute its entire shareholding in the Company by way of dividend-in-specie to SDB's shareholders ("the Proposed Distribution") whose names appear in the Record of Depositors of SDB on an entitlement date to be determined by the SDB Board after the receipt of all relevant approvals ("Entitlement Date") ("Entitled Shareholders") on the basis of one (1) Share in the Company ("the Distribution Share") for every 1 existing SDB Share held, free from encumbrances. There is no financial impact to the Group's financial results as at 30 June 2017 arising from the distribution of the Company's shares.

4.3 Listing

Upon completion of the Proposed Distribution of the Company's Shares, the Company will seek admission into the Official List of Bursa Securities and the listing of and quotation of its entire enlarged issued share capital comprising 6,800,839,377 Ordinary Shares on the Main Market of Bursa Securities. The Listing of and quotation for 6,800,839,377 Ordinary Shares represents the entire enlarged issued share capital of the Company on the Main Market of Bursa Securities.

The total expenses to be borne by the Company are estimated to be RM33.1 million, of which RM24.1 million had been accrued for as at 30 June 2017. The estimated direct expenses attributable to the Listing of RM9.0 million will be incurred upon the completion of the exercise.

5 PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**5.1 Pro forma I**

Pro Forma I incorporates the effects of the Completed Material Transactions as set out in Note 3.

5.2 Pro forma II

Pro Forma II incorporates the effects of Pro Forma I as set out in Note 5.1 and the effects of the Pre-listing Restructuring Exercise and the Listing as set out in Note 4.



13. FINANCIAL INFORMATION (Cont'd)

APPENDIX
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SIME DARBY PROPERTY BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

6 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

6.1 Inventories (non-current assets)

The movement in inventories within non-current assets is as follows:

	RM'000
Audited as at 30 June 2017	1,227,225
Add: Purchase of MVV Land (Note 3.2)	689,587
Per Pro Forma Consolidated SOFP I and II	<u>1,916,812</u>

6.2 Bank balances, deposits and cash

The movements in bank balances, deposits and cash are as follows:

	RM'000
Audited as at 30 June 2017	494,211
Add: Proceeds from the disposal of Seriemas (Note 3.1)	615,846
Per Pro Forma Consolidated SOFP I	<u>1,110,057</u>
Less: Repayment of amounts due to related companies (Note 4.1(ii))	(400,585)
Less: Estimated Listing expenses (Note 4.3)	(33,056)
Per Pro Forma Consolidated SOFP II	<u>676,416</u>

6.3 Assets held for sale

The movement in assets held for sale is as follows:

	RM'000
Audited as at 30 June 2017	2,222,866
Less: Disposal of Seriemas (Note 3.1)	(338,264)
Per Pro Forma Consolidated SOFP I and II	<u>1,884,602</u>

6.4 Share capital

The movements in share capital are as follows:

	Share capital RM'000	RPS RM '000	Total share capital RM'000
Audited as at 30 June 2017 and per Pro Forma Consolidated SOFP I	1,000,000	1,405,496	2,405,496
Redemption (Note 4.1(i))	<u>1,405,496</u>	<u>(1,405,496)</u>	<u>-</u>
	2,405,496	-	2,405,496
Capitalisation of intercompany loans and contribution from SDB (Note 4.1(ii))	<u>4,395,343</u>	-	<u>4,395,343</u>
Per Pro Forma Consolidated SOFP II	<u>6,800,839</u>	-	<u>6,800,839</u>



13. FINANCIAL INFORMATION (Cont'd)

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SIME DARBY PROPERTY BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

6 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

6.5 Contribution from immediate holding company

The movement in contribution from immediate holding company is as follows:

	RM'000
Audited as at 30 June 2017 and per Pro Forma Consolidated SOFP I	1,500,000
Capitalisation of contribution from immediate holding company (Note 4.1 (ii))	<u>(1,500,000)</u>
Per Pro Forma Consolidated SOFP II	<u>-</u>

6.6 Retained earnings

The movements in retained earnings are as follows:

	RM'000
Audited as at 30 June 2017	2,322,990
Add: Gain on disposal of Seriemas (Note 3.1)	<u>277,582</u>
Per Pro Forma Consolidated SOFP I	2,600,572
Add: Waiver of Robt Bradford Loan, net of tax (Note 4.1(ii))	142,672
Less: Estimated Listing expenses (Note 4.3)	<u>(9,000)</u>
Per Pro Forma Consolidated SOFP II	<u>2,734,244</u>

6.7 Non-controlling interests

The movement in non-controlling interests is as follows:

	RM'000
Audited as at 30 June 2017 and per Pro Forma Consolidated SOFP I	264,724
Add: Waiver of Robt Bradford Loan, net of tax (Note 4.1(ii))	<u>1,172</u>
Per Pro Forma Consolidated SOFP II	<u>265,896</u>

6.8 Loans due to related companies

The movements in loans due to related companies are as follows:

	RM'000
Audited as at 30 June 2017 and per Pro Forma Consolidated SOFP I	2,229,691
Less: Waiver of Robt Bradford Loan (Note 4.1(ii))	(159,864)
Less: Capitalisation of loans due to related companies (Note 4.1(ii))	<u>(2,069,827)</u>
Per Pro Forma Consolidated SOFP II	<u>-</u>



13. FINANCIAL INFORMATION (Cont'd)APPENDIX
Page 9**SIME DARBY PROPERTY BERHAD****PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)****6 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)****6.9 Trade and other payables**

The movements in trade and other payables, which include the amounts due to related companies, are as follows:

	RM'000
Audited as at 30 June 2017	2,047,605
Add: Consideration for purchase of MVV Land (Note 3.2)	689,587
Per Pro Forma Consolidated SOFP I	2,737,192
Less: Partial payment of amounts due to related companies (Note 4.1(ii))	(400,585)
Less: Capitalisation of amounts due to related companies (Note 4.1(ii))	(825,516)
Less: Estimated Listing expenses paid (Note 4.3)	(24,056)
Per Pro Forma Consolidated SOFP II	<u>1,487,035</u>

6.10 Tax payable

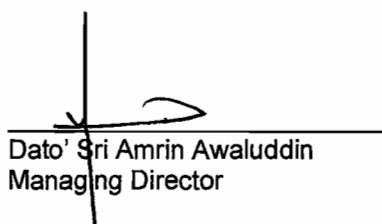
The movement in tax payable is as follows:

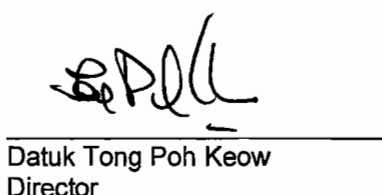
	RM'000
Audited as at 30 June 2017 and per Pro Forma Consolidated SOFP I	39,121
Add: Tax effect of waiver of Robt Bradford Loan (Note 4.1(ii))	16,020
Per Pro Forma Consolidated SOFP II	<u>55,141</u>

7 APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Sime Darby Property Berhad and dated 20 November 2017.

On behalf of the Board


Dato' Sri Amrin Awaluddin
Managing Director


Datuk Tong Poh Keow
Director



13 FINANCIAL INFORMATION (Cont'd)

13.5 DIVIDEND POLICY

Our ability to pay dividends is dependent upon our profitability and financial condition and shall have regard to our working capital needs, capital expenditure plans, availability of cash to fund such dividends or other distributions, the covenants in our existing loan agreements, which restrict the payment of dividends or other distributions until such loans are fully settled (or unless the prior consent of the lenders is obtained), and/or other agreements (including shareholders' agreements) to which any of the companies within our Group are parties to and any other relevant factors that the respective boards of directors deem relevant.

It is the policy of our Board in recommending dividends to allow shareholders to participate in our profits, as well as to retain adequate reserves for our future growth.

The declaration of interim and final dividends is subject to the discretion of our Board. However, our ability to pay dividends or make other distributions to our shareholders will depend upon a number of factors, including:

- the level of our cash, gearing, return on equity and retained earnings;
- our expected financial performance;
- our projected levels of capital expenditure and other investment plans;
- our working capital requirements; and
- our existing and future debt obligations.

We propose to pay dividends out of cash generated from our operations after setting aside necessary funding for capital expenditure and working capital requirements. As part of this policy, our Company targets a dividend payout ratio of not less than 20.0% of our consolidated profit attributable to the owners of our Company under MFRS, beginning 1 July 2017.

You should note that the foregoing statement on the payment of dividends merely describes our Company's present intention and shall not constitute a legally binding obligation on our Company or legally binding statement in respect of our future dividends which are subject to modification (including non-declaration of dividends) at our Board's discretion. You should not treat the statement as an indication of our Group's future dividend policy.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

PROSPECTUS



Property

Sime Darby Property Berhad

(Company No.: 15631-P)
 (Incorporated in Malaysia under the Companies Act 1965
 and deemed registered under the Companies Act 2016)

LISTING OF SIME DARBY PROPERTY BERHAD ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

PRINCIPAL ADVISER



Maybank Investment Bank Berhad (15939-4)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

AS AT THE DATE OF THIS PROSPECTUS, THE DISTRIBUTION OF SD PROPERTY SHARES (AS DEFINED HEREIN) HAS NOT BEEN COMPLETED. THE SHARES WILL BE DISTRIBUTED TO THE ENTITLED SHAREHOLDERS OF SDB (AS DEFINED HEREIN) AFTER 5.00 P.M. ON 29 NOVEMBER 2017.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS RELATING TO AN INVESTMENT IN THE SHARES WHICH SHOULD BE CONSIDERED BY YOU, SEE "RISK FACTORS" IN SECTION 5 OF THIS PROSPECTUS.

THIS PROSPECTUS IS ISSUED FOR INFORMATION PURPOSE ONLY. NO OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR INVITATION TO SUBSCRIBE FOR OR PURCHASE OF SECURITIES IS OR WILL BE MADE ON THE BASIS OF THIS PROSPECTUS.

LISTING SOUGHT : MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

THIS PROSPECTUS IS DATED 28 NOVEMBER 2017



SIME DARBY PROPERTY BERHAD
 (Company No. 15631-P)
 (Incorporated in Malaysia under the Companies Act 1965
 and deemed registered under the Companies Act 2016)

Property LEVEL 10, BLOCK G, NO. 2, JALAN PJU 1A/7A
 ARA DAMANSARA, PJU 1A, 47301 PETALING JAYA
 SELANGOR DARUL EHSAN, MALAYSIA
 TEL. NO. : +603 7849 5000
 FAX NO. : +603 7849 5688



PROSPECTUS | SIME DARBY PROPERTY BERHAD (Company No.: 15631-P)

14. ACCOUNTANTS' REPORT



The Board of Directors
Sime Darby Property Berhad
Level 10, Block G
No. 2, Jalan PJU 1A/7A
Ara Damansara, PJU 1A
47301 Petaling Jaya,
Selangor Darul Ehsan

20 November 2017

PwC/AZ/HCY/HC/JT/KK/py/0243C

Dear Sirs

Reporting Accountants' opinion on the Consolidated Financial Statements contained in the Accountants' Report of Sime Darby Property Berhad

We have audited the consolidated financial statements of Sime Darby Property Berhad ("the Company") and its subsidiaries (the "Group") which comprise the consolidated statements of financial position as at 30 June 2015, 30 June 2016 and 30 June 2017, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017 and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 160.

Directors' Responsibility for the Consolidated Financial Statements

The Directors of Sime Darby Property Berhad are responsible for the preparation of consolidated financial statements for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017 so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

14. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors
Sime Darby Property Berhad
PwC/AZ/HCY/HC/JT/KK/py/0243C
20 November 2017**

Reporting Accountants' opinion on the Consolidated Financial Statements contained in the Accountants' Report of Sime Darby Property Berhad (continued)**Reporting Accountants' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 30 June 2015, 30 June 2016 and 30 June 2017 and its financial performance and cash flows for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

14. ACCOUNTANTS' REPORT (Cont'd)



**The Board of Directors
Sime Darby Property Berhad
PwC/AZ/HCY/HC/JT/KK/py/0243C
20 November 2017**

Reporting Accountants' opinion on the Consolidated Financial Statements contained in the Accountants' Report of Sime Darby Property Berhad (continued)

Others Matters

In accordance with paragraph 13.04 of Chapter 13, Division 1 – Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia (“SC”), we also report that the significant subsequent events identified by the Group since 30 June 2017, to the date of this opinion are as disclosed in Notes 2.46 and 2.47 to the consolidated financial statements.

This report has been prepared solely to comply with Chapter 13, Division 1 - Equity of the Prospectus Guidelines issued by the SC and for inclusion in the Prospectus of the Company in connection with the listing and quotation of the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad and should not be relied on for any other purposes.

A handwritten signature in black ink, appearing to read 'Priatun Ceyan', written in a cursive style.

PRICEWATERHOUSECOOPERS
(No. AF : 1146)
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Azizan Bin Zakaria', written in a cursive style.

AZIZAN BIN ZAKARIA
(No. 2930/05/18 (J))
Chartered Accountants

Kuala Lumpur
20 November 2017

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**1 CONSOLIDATED FINANCIAL STATEMENTS****1.1 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2016 AND 2017

Amounts in RM'000 unless otherwise stated

	Note	2015	2016	2017
<u>Continuing operations</u>				
Revenue	2.5	3,253,933	2,590,737	2,564,399
Operating expenses	2.6	(2,630,546)	(2,162,808)	(2,229,529)
Other operating income	2.7	258,227	539,811	164,898
Other (losses)/gains	2.8	(100)	5,384	(772)
Operating profit		881,514	973,124	498,996
Share of results of joint ventures	2.9	(74,953)	(19,053)	278,952
Share of results of associates	2.10	14,291	24,348	39,701
Profit before interest and taxation		820,852	978,419	817,649
Finance income	2.11	24,406	18,343	22,765
Finance costs	2.12	(104,828)	(38,630)	(3,604)
Profit before taxation		740,430	958,132	836,810
Taxation	2.13	(150,577)	(210,289)	(154,547)
Profit for the financial year from continuing operations		589,853	747,843	682,263
<u>Discontinuing operations</u>				
Profit for the financial year from discontinuing operations	2.14	98,367	206,915	26,838
Profit for the financial year		688,220	954,758	709,101
Profit for the financial year attributable to owners of:				
- the Company				
- from continuing operations		560,809	749,076	607,926
- from discontinuing operations		59,020	124,149	16,103
		619,829	873,225	624,029
- non-controlling interests				
		68,391	81,533	85,072
		688,220	954,758	709,101
Basic/diluted earnings per share attributable to owners of the Company				
		Sen	Sen	Sen
- from continuing operations	2.15	56.1	74.9	60.8
- from discontinuing operations		5.9	12.4	1.6
		62.0	87.3	62.4

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****1.2 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2016 AND 2017 (CONTINUED)**

Amounts in RM'000 unless otherwise stated

	<u>Note</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Profit for the financial year		688,220	954,758	709,101
Other comprehensive income/(loss)				
<u>Continuing operations</u>				
<u>Items which will subsequently be reclassified to profit or loss (net of tax):</u>				
Currency translation differences		69,234	(108,476)	67,892
Available-for-sale financial assets:				
- net changes in fair value	2.20	(5,574)	(3,369)	(2,389)
Share of other comprehensive (loss)/income of associates	2.10	(3,655)	555	(3,282)
		<u>60,005</u>	<u>(111,290)</u>	<u>62,221</u>
<u>Items which are reclassified to profit or loss (net of tax)</u>				
Currency translation differences:				
- disposal of subsidiaries	2.46	-	(9,664)	(6,382)
- liquidation of subsidiaries		857	(5,110)	-
		<u>857</u>	<u>(14,774)</u>	<u>(6,382)</u>
Total other comprehensive income/(loss)		<u>60,862</u>	<u>(126,064)</u>	<u>55,839</u>
Total comprehensive income for the financial year		<u>749,082</u>	<u>828,694</u>	<u>764,940</u>
Total comprehensive income for the financial year attributable to owners of:				
- the Company				
- from continuing operations		622,585	624,999	658,623
- from discontinuing operations		59,020	124,149	16,103
		<u>681,605</u>	<u>749,148</u>	<u>674,726</u>
- non-controlling interests		67,477	79,546	90,214
		<u>749,082</u>	<u>828,694</u>	<u>764,940</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****1.3 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
AS AT 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017

Amounts in RM'000 unless otherwise stated

	Note	1.7.2014	30.6.2015	30.6.2016	30.6.2017
NON-CURRENT ASSETS					
Property, plant and equipment	2.16	815,656	851,770	846,083	824,398
Prepaid lease rentals	2.17	141	-	-	-
Investment properties	2.18	588,173	491,807	331,754	474,221
Inventories	2.19	1,195,413	1,273,330	1,247,630	1,227,225
Joint ventures	2.9	590,699	929,100	1,408,539	1,967,983
Associates	2.10	538,736	548,075	571,617	138,596
Available-for-sale financial assets	2.20	57,673	52,099	48,730	46,341
Intangible assets	2.21	7,190	6,676	5,878	5,386
Deferred tax assets	2.22	509,634	550,344	489,164	452,521
Trade and other receivables	2.23	76,053	55,198	89,181	61,275
Contract assets	2.24	260,410	650,939	1,440,291	-
		<u>4,639,778</u>	<u>5,409,338</u>	<u>6,478,867</u>	<u>5,197,946</u>
CURRENT ASSETS					
Inventories	2.19	2,508,374	3,266,987	4,360,070	4,579,438
Prepaid lease rentals	2.17	320	53	-	-
Trade and other receivables	2.23	925,026	1,249,512	824,692	682,533
Contract assets	2.24	141,159	406,899	342,166	167,862
Tax recoverable		26,488	63,055	41,167	27,818
Cash held under Housing Development Accounts	2.25	514,173	556,072	610,020	581,049
Bank balances, deposits and cash	2.26	223,568	250,143	295,990	494,211
		<u>4,339,108</u>	<u>5,792,721</u>	<u>6,474,105</u>	<u>6,532,911</u>
Assets held for sale	2.27	138,262	133,710	-	2,222,866
		<u>4,477,370</u>	<u>5,926,431</u>	<u>6,474,105</u>	<u>8,755,777</u>
TOTAL ASSETS		<u>9,117,148</u>	<u>11,335,769</u>	<u>12,952,972</u>	<u>13,953,723</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****1.3 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
AS AT 30 JUNE 2015, 30 JUNE 2016 AND 30 JUNE 2017 (CONTINUED)

Amounts in RM'000 unless otherwise stated

	Note	1.7.2014	30.6.2015	30.6.2016	30.6.2017
EQUITY					
Share capital	2.28	1,001,696	1,004,741	1,010,409	2,405,496
Share premium	2.29	167,919	469,323	1,030,493	-
Contribution from immediate holding company	2.35	1,500,000	1,500,000	1,500,000	1,500,000
Reserves	2.30	106,341	168,499	44,422	94,691
Retained earnings		707,851	1,127,298	1,748,533	2,322,990
Equity attributable to owner of the Company		3,483,807	4,269,861	5,333,857	6,323,177
Non-controlling interests	2.31	39,519	105,741	174,510	264,724
TOTAL EQUITY		3,523,326	4,375,602	5,508,367	6,587,901
NON-CURRENT LIABILITIES					
Borrowings	2.32	1,127,302	1,630,109	1,953,307	938,727
Provisions	2.33	-	-	253,620	160,923
Contract liabilities	2.34	262,577	264,971	265,646	260,746
Deferred tax liabilities	2.22	54,370	119,291	174,752	33,880
Loans due to related companies	2.35	2,551,493	2,721,834	2,335,984	2,229,691
Other payables	2.36	769	1,267	481	136
		3,996,511	4,737,472	4,983,790	3,624,103
CURRENT LIABILITIES					
Trade and other payables	2.36	1,378,446	1,969,871	2,230,150	2,047,605
Borrowings	2.32	73,880	104,400	187,385	230,154
Provisions	2.33	18,952	19,676	17,152	15,983
Contract liabilities	2.34	5,599	3,743	3,434	11,495
Tax payable		36,274	41,596	22,694	39,121
		1,513,151	2,139,286	2,460,815	2,344,358
Liabilities associated with assets held for sale	2.27	84,160	83,409	-	1,397,361
		1,597,311	2,222,695	2,460,815	3,741,719
TOTAL LIABILITIES		5,593,822	6,960,167	7,444,605	7,365,822
TOTAL EQUITY AND LIABILITIES		9,117,148	11,335,769	12,952,972	13,953,723

14. ACCOUNTANTS' REPORT (Cont'd)

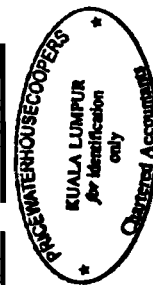
SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2016 AND 2017

Amounts in RM'000 unless otherwise stated

	Note	Share capital	Share premium	Contribution from immediate holding company	Reserves	Distributable Retained earnings	Attributable to owner of the Company	Non-controlling interests	Total equity
2015									
At 1 July 2014		1,001,696	167,919	1,500,000	(440,596)	1,591,131	3,820,150	39,843	3,859,993
- As previously reported	2.45.2	-	-	-	546,937	(546,937)	-	-	-
- Reclassification		-	-	-	-	(336,343)	(336,343)	(324)	(336,667)
- Effect of adoption of MFRS 15	2.45.3	-	-	-	-	707,851	3,483,807	39,519	3,523,326
At 1 July 2014 (restated)		1,001,696	167,919	1,500,000	106,341	707,851	3,483,807	39,519	3,523,326
Profit for the financial year		-	-	-	-	619,829	619,829	68,391	688,220
Other comprehensive income/(loss)		-	-	-	61,776	-	61,776	(914)	60,862
Total comprehensive income for the financial year		-	-	-	61,776	619,829	681,605	67,477	749,082
Transfer between reserves		-	-	-	382	(382)	-	-	-
Transactions with owner:									
- issuance of shares	2.28,	3,045	301,404	-	-	-	304,449	-	304,449
- dividends on ordinary shares	2.29	-	-	-	-	(200,000)	(200,000)	-	(200,000)
- dividends paid to non-controlling interests of subsidiaries	2.44	-	-	-	-	-	-	(1,255)	(1,255)
- employee share scheme		-	-	-	208	-	208	-	208
- recharge from immediate holding company		-	-	-	(208)	-	(208)	-	(208)
At 30 June 2015		1,004,741	469,323	1,500,000	168,499	1,127,298	4,269,861	105,741	4,375,602



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**1.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2016 AND 2017 (CONTINUED)**

Amounts in RM'000 unless otherwise stated

Note	Share capital	Share premium	Contribution from immediate holding company	Reserves	Distributable Retained earnings	Attributable to owner of the Company	Non-controlling interests	Total equity
2016								
At 1 July 2015	1,004,741	469,323	1,500,000	168,499	1,127,298	4,269,861	105,741	4,375,602
Profit for the financial year	-	-	-	-	873,225	873,225	81,533	954,758
Other comprehensive loss	-	-	-	(124,077)	-	(124,077)	(1,987)	(126,064)
Total comprehensive (loss)/income for the financial year	-	-	-	(124,077)	873,225	749,148	79,546	828,694
Transactions with owners:								
- issuance of shares	5,668	561,170	-	-	-	566,838	-	566,838
- dividends on ordinary shares	-	-	-	-	(250,000)	(250,000)	-	(250,000)
- dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	(1,098)	(1,098)
- employee share scheme	-	-	-	(4,653)	-	(4,653)	-	(4,653)
- reversal of recharge from immediate holding company	-	-	-	4,653	-	4,653	-	4,653
Disposal of subsidiaries	-	-	-	-	-	-	(11,669)	(11,669)
Changes in ownership interest	-	-	-	-	(1,990)	(1,990)	1,990	-
At 30 June 2016	1,010,409	1,030,493	1,500,000	44,422	1,748,533	5,333,857	174,510	5,508,367



14. ACCOUNTANTS' REPORT (Cont'd)

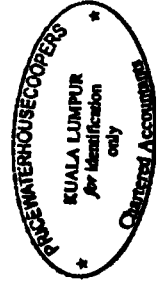
SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**1.4 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2016 AND 2017 (CONTINUED)**

Amounts in RM'000 unless otherwise stated

	Note	Share capital	Share premium	Contribution from immediate holding company	Reserves	Distributable Retained earnings	Attributable to owner of the Company	Non-controlling interests	Total equity
2017									
At 1 July 2016		1,010,409	1,030,493	1,500,000	44,422	1,748,533	5,333,857	174,510	5,508,367
Profit for the financial year		-	-	-	-	624,029	624,029	85,072	709,101
Other comprehensive income		-	-	-	50,697	-	50,697	5,142	55,839
Total comprehensive income for the financial year		-	-	-	50,697	624,029	674,726	90,214	764,940
Transactions with owners:									
- issuance of shares	2.28, 2.29	78,777	285,817	-	-	-	364,594	-	364,594
- dividends on ordinary shares	2.44	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Transition to no-par value regime on 31 January 2017		1,316,310	(1,316,310)	-	(428)	428	-	-	-
Transfer between reserves		-	-	-	94,591	2,322,990	6,323,177	264,724	6,587,901
At 30 June 2017		2,405,496	-	1,500,000	94,591	2,322,990	6,323,177	264,724	6,587,901



14. ACCOUNTANTS' REPORT (Cont'd)

1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1.5 CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2016 AND 2017

Amounts in RM'000 unless otherwise stated

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Cash flows from operating activities			
Profit for the financial year from continuing operations	589,853	747,843	682,263
Adjustments for:			
Share of results of:			
- joint ventures	74,953	19,053	(278,952)
- associates	(14,291)	(24,348)	(39,701)
Depreciation of:			
- property, plant and equipment	44,671	47,083	47,960
- investment properties	14,785	10,447	6,802
Amortisation of:			
- prepaid lease rentals	408	53	-
- intangible assets	2,646	2,427	2,438
Impairment/(write-back of impairment) of:			
- property, plant and equipment	-	19,075	(16,052)
- investment properties	4,486	-	(1,878)
Inventories written down	-	-	148,998
Write-offs of:			
- property, plant and equipment	5,517	19	810
- investment properties	7,452	9	11
Net (gain)/loss on disposal of:			
- property, plant and equipment	(109)	(26,513)	(1,084)
- investment properties	(72,348)	(4,400)	(14,387)
- joint venture	(157,248)	-	-
- intangible assets	34	-	-
- subsidiaries	(6)	(447,026)	(130,359)
- assets held for sale	(9,585)	(39,711)	-
Other non-cash items [note (a)]	(12,884)	37,351	(15,609)
Finance income	(24,406)	(18,343)	(22,765)
Finance costs	104,828	38,630	3,604
Taxation	150,577	210,289	154,547
Unrealised foreign currency exchange losses	22	36	45
Provisions	4,980	2,893	1,088
Write-back of payables and accruals	(478)	(8,101)	-
	<u>713,857</u>	<u>566,766</u>	<u>527,779</u>
Changes in working capital:			
- inventories	(781,976)	(662,017)	(431,273)
- trade and other receivables	(322,900)	282,694	50,197
- contract assets	(284,526)	97,065	145,041
- trade and other payables	552,517	40,889	220,345
- provisions and contract liabilities	(3,831)	367	(5,679)
Net changes in working capital	<u>(840,716)</u>	<u>(241,002)</u>	<u>(21,369)</u>

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****1.5 CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2016 AND 2017 (CONTINUED)**

Amounts in RM'000 unless otherwise stated

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Cash (used in)/generated from operations	(126,859)	325,764	506,410
Tax paid	(173,165)	(140,695)	(135,385)
Zakat paid	(1,000)	(1,000)	(1,000)
Dividends received from a joint venture	-	-	119,229
Dividends received from associates	9,000	1,800	131,800
Operating cash flows (used in)/generated from continuing operations	(292,024)	185,869	621,054
Operating cash flows used in discontinuing operations	(229,451)	(306,602)	(127,380)
Net cash (used in)/generated from operating activities	(521,475)	(120,733)	493,674
<u>Cash flows from investing activities</u>			
Finance income received	22,572	18,343	22,765
Proceeds from sale of:			
- property, plant and equipment	294	35,653	3,137
- investment properties	156,123	4,400	15,852
- joint venture	15,700	143,160	-
- subsidiaries	6	587,465	222,355
- assets held for sale	12,247	52,504	-
Redemption of redeemable preference shares of joint venture	-	-	63,038
Purchase of:			
- property, plant and equipment	(70,263)	(49,180)	(26,298)
- investment properties	(1,336)	(1,136)	(109,344)
- intangible assets	(2,319)	(708)	(1,937)
Advances to joint ventures/associates	(39,380)	(31,931)	(53,374)
Subscription of shares in joint ventures	(299,818)	(631,532)	(394,505)
Investing cash flows (used in)/generated from continuing operations	(206,174)	127,038	(258,311)
Investing cash flows from discontinuing operations	2,283	3,651	18,535
Net cash (used in)/generated from investing activities	(203,891)	130,689	(239,776)

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****1.5 CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2016 AND 2017 (CONTINUED)**

Amounts in RM'000 unless otherwise stated

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Cash flows from financing activities</u>			
Increase in:			
- share capital	3,045	5,668	78,777
- share premium	301,404	561,170	285,817
Drawdown of borrowings	355,169	115,330	171,912
Repayment of borrowings	(110,602)	(108,044)	(357,245)
Finance costs paid	(161,402)	(179,871)	(171,204)
Advances from/(repayment of advances to) related companies	163,401	(678,264)	(2,581)
Advances from/(repayment to) immediate holding company	200,104	250,074	(83,027)
Shareholder advances from non-controlling interest	-	-	76,800
Dividends paid	(201,255)	(251,098)	(50,000)
Purchase of additional interest in subsidiaries	-	(2,461)	-
Financing cash flows from/(used in) continuing operations	<u>549,864</u>	<u>(287,496)</u>	<u>(50,751)</u>
Financing cash flows from/(used in) discontinuing operations	<u>266,414</u>	<u>353,374</u>	<u>(12,081)</u>
Net cash generated from/(used in) financing activities	<u>816,278</u>	<u>65,878</u>	<u>(62,832)</u>
Net increase in cash and cash equivalents	90,912	75,834	191,066
Exchange differences	(23,890)	10,709	32,078
Cash and cash equivalents at the beginning of the financial year	<u>752,445</u>	<u>819,467</u>	<u>906,010</u>
Cash and cash equivalents at the end of the financial year [note (b)]	<u>819,467</u>	<u>906,010</u>	<u>1,129,154</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**1 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****1.5 CONSOLIDATED STATEMENTS OF CASH FLOWS**
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2016 AND 2017 (CONTINUED)

Amounts in RM'000 unless otherwise stated

	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Other non-cash items:			
(Write-back of provision)/provision for impairment of:			
- trade and other receivables	(12,101)	35,573	(14,054)
- amounts due from a related company	-	1,555	(1,555)
(Gains)/write-offs from liquidated subsidiaries	(855)	155	-
Bad debt written off	72	68	-
	<u>(12,884)</u>	<u>37,351</u>	<u>(15,609)</u>
b. Cash and cash equivalents at the end of the financial year:			
Cash held under Housing Development Accounts (Note 2.25)	556,072	610,020	581,049
Bank balances, deposits and cash (Note 2.26)	250,143	295,990	494,211
	<u>806,215</u>	<u>906,010</u>	<u>1,075,260</u>
Cash held under assets held for sale (Note 2.27)	13,252	-	53,894
	<u>819,467</u>	<u>906,010</u>	<u>1,129,154</u>

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Amounts in RM'000 unless otherwise stated

2.1 BASIS OF PREPARATION**2.1.1 General**

The Company was incorporated in Malaysia under the Companies Act, 1965 on 15 September 1973 as a private limited company under the name of Kumpulan Guthrie Holdings Sendirian Berhad. On 27 September 1990, the Company changed its name to Guthrie Property Development Holding Sendirian Berhad. The Company converted to a public company on 2 October 2003 under the name of Guthrie Property Development Holding Berhad. On 12 December 2007, the Company changed its name to Sime Darby Property Berhad.

The registered office and principal place of business of the Company is Level 10, Block G, No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in the business of investment holding, property development and provision of management services. The principal activities of the subsidiaries, joint ventures and associates are as stated in Note 2.42 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company and its subsidiaries are collectively known as 'the Group' or 'Sime Darby Property Group' in the historical financial statements contained in the Accountants' Report.

The Directors regard Sime Darby Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad that produces financial statements available for public use, Permodalan Nasional Berhad and Yayasan Pelaburan Bumiputra as its immediate, penultimate and ultimate holding companies respectively. All companies are incorporated in Malaysia.

The financial statements of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards.

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of principal accounting policies in Note 2.2. The financial statements are presented in Ringgit Malaysia in thousands (RM'000) unless otherwise stated.

The financial statements of the Group for the year ended 30 June 2017 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1 'First-time adoption of MFRS'. The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 July 2014 (transition date) and throughout all years presented. The impact of the adoption of MFRS has been disclosed in Note 2.45.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period.

The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.3.



14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.1 BASIS OF PREPARATION (CONTINUED)**2.1.2 Accounting pronouncement that has been early adopted in preparing these financial statements**

- **MFRS 15 – Revenue from Contracts with Customers**

The Group has early adopted MFRS 15 – Revenue from Contracts with Customers in the current financial year. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods and services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services. The impact of the adoption of MFRS 15 is shown in Note 2.45.

2.1.3 Accounting pronouncements that are not yet effective and have not been early adopted in preparing these financial statements

- i. Interpretation and amendments that are effective on or after 1 July 2017, where their adoption is not expected to result in any significant changes to the Group's results or financial position.

- Disclosure Initiative (Amendments to MFRS 107)
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to MFRS 112)
- Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)
- Applying MFRS 9 – Financial Instruments with MFRS 4 – Insurance Contracts (Amendments to MFRS 4)
- Annual Improvements to MFRSs 2014 – 2016 Cycle
- Transfer of Investment Property (Amendments to MFRS 140)
- IC Interpretation 22 – Foreign Currency Translations and Advance Consideration

- ii. Standards where the Group is currently assessing and has yet to quantify the potential impact.

- **MFRS 9 “Financial Instruments” will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.**

MFRS 9 replaces MFRS 139 – Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment and hedge accounting, and will be effective for annual reporting periods beginning or after 1 January 2018.

- **MFRS 16 “Leases”**

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. MFRS 16 will be effective for annual reporting periods beginning on or after 1 January 2019.



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.1 BASIS OF PREPARATION (CONTINUED)**2.1.3 Accounting pronouncements that are not yet effective and have not been early adopted in preparing these financial statements (continued)**

ii. Standards where the Group is currently assessing and has yet to quantify the potential impact. (continued)

- IC Interpretation 23 "Uncertainty over income tax treatments"

IC Interpretation 23 provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty. IC Interpretation 23 will be effective for annual reporting periods beginning on or after 1 January 2019.

iii. The effective date for the amendment to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) has been deferred to a date to be determined by MASB.

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

These principal accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements, and to all the financial years presented, unless otherwise stated.

2.2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

i. Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated using the acquisition method except for those subsidiaries acquired under common control. Under the acquisition method, subsidiaries are consolidated from the date on which control is transferred to the Group and de-consolidated from the date when control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

Contingent consideration is recorded at fair value as component of the purchase consideration with subsequent adjustment resulting from events after the acquisition date taken to profit or loss. Acquisition related costs are recognised as expenses when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the date of acquisition and any corresponding gain or loss is recognised in the profit or loss.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.1 Basis of consolidation (continued)****i. Subsidiaries (continued)**

Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured at their fair values, at the date of acquisition. The excess of the consideration and the fair value of previously held equity interests over the Group's share of the fair value of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. Any gain from bargain purchase is recognised directly in the profit or loss.

Intercompany transactions and balances are eliminated on consolidation, but unrealised losses arising therefrom are eliminated on consolidation to the extent of the cost of the asset that can be recovered, and the balance is recognised in the profit or loss as reduction in net realisable value or as impairment loss.

Non-controlling interests in the results and net assets of non-wholly owned subsidiaries are presented separately in the financial statements. Transactions with owners of non-controlling interests without a change in control are treated as equity transactions in the statements of changes in equity.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of its net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

ii. Business combinations under common control

Business combinations under common control are accounted using the predecessor method of merger accounting. Under the predecessor method of merger accounting, the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in the profit or loss.

iii. Joint ventures

Joint ventures are separate vehicles in which the Group has rights to its net assets and where its strategic, financial and operating decisions require unanimous consent of the Group and one or more parties sharing the control.

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.1 Basis of consolidation (continued)****iii. Joint ventures (continued)**

Joint ventures are accounted using the equity method. Equity method is a method of accounting whereby the investment is recorded at cost inclusive of goodwill and adjusted thereafter for the Group's share of the post-acquisition results and other changes in the net assets of the joint ventures based on their latest audited financial statements or management accounts. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. Where necessary, adjustments are made to the financial statements of joint ventures used by the Group in applying the equity method to ensure consistency of accounting policies with those of the Group.

After application of the equity method, the carrying amount of the joint ventures will be assessed for impairment. Equity method is discontinued when the carrying amount of joint venture reaches zero, or reaches the limit of the obligations in the case when the Group has incurred legal or constructive obligations in respect of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated on the same basis but only to the extent of the costs that can be recovered, and the balance that provides evidence of reduction in net realisable value or an impairment of the assets transferred are recognised in the profit or loss.

When joint control ceases, the disposal proceeds and the fair value of any retained investment are compared to the carrying amount of the joint venture. The difference together with the exchange reserve that relate to the joint venture is recognised in the profit or loss as gain or loss on disposal. If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Shareholder's advances to joint ventures of which the Group does not expect repayment in the foreseeable future are considered as part of the Group's investments in the joint ventures.

iv. Associates

Associates are entities in which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions, but not control over those policies.

Investments in associates are accounted for using the equity method, similar to Note 2.2.1(iii) above.

When significant influence ceases, the disposal proceeds and the fair value of any retained investment are compared to the carrying amount of the associate. The difference together with the exchange reserve that relate to the associate is recognised as gain or loss on disposal. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Shareholder's advances to associates of which the Group does not expect repayment in the foreseeable future are considered as part of the Group's investments in the associates.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.2 Foreign currencies****i Functional and presentation currencies**

Ringgit Malaysia is the presentation currency of the Group and of the Company.

Ringgit Malaysia is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

ii. Transactions and balances

Foreign currency transactions and monetary items are translated into the functional currency using the exchange rates prevailing at the transaction dates and at the end of the reporting period, respectively. Foreign exchange differences arising therefrom and on settlement are recognised in the profit or loss.

iii. Translation of foreign currency financial statements

For consolidation purposes, foreign operations' results are translated into the Group's presentation currency at average exchange rates for the financial year whilst the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at exchange rates ruling at the end of the reporting period. The resulting translation differences are recognised in other comprehensive income and accumulate in exchange reserve.

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in other comprehensive income and reclassified from equity to profit or loss upon repayment or disposal of the relevant entity.

Exchange reserve in respect of a foreign operation is recognised to profit or loss when control, joint control or significant influence over the foreign operation is lost. On partial disposal without losing control, a proportion of the exchange reserve in respect of the subsidiary is re-attributed to the non-controlling interest. The proportionate share of the cumulative translation differences is reclassified to profit or loss in respect of all other partial disposals.

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.3 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of an asset or part of an asset. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

Freehold land is not depreciated as it has indefinite life. Assets in the course of construction are shown as capital work in progress. Depreciation on these assets commences when they are ready for use. Other property, plant and equipment are depreciated on a straight-line basis to write down the cost or valuation of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Leasehold land	over the lease period ranging from 55 to 99 years
Buildings	2% - 5%, or the lease term if shorter
Plant and machinery	20% - 33.33%
Vehicles, equipment and fixtures	20% - 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

At each reporting date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy 2.2.11(i) on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit or loss.

2.2.4 Prepaid lease rentals

Prepaid lease rentals represent payment for rights to use land over a predetermined period that is accounted for as an operating lease and is stated at cost less accumulated amortisation and accumulated impairment losses.

The prepaid lease rentals are amortised on a straight-line basis over the lease period ranging from 9 to 99 years.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.5 Investment properties**

Investment properties are land and buildings held for rental income and/or capital appreciation which are not substantially occupied or intended to be occupied for use by, or in the operations of the Group.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land and buildings under construction are not depreciated. Other investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Leasehold land	over the lease period ranging from 50 to 99 years
Buildings	2% to 5%, or the lease term if shorter

The residual values and useful lives are reviewed, and adjusted if appropriate, annually.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.6 Intangible assets****i. Computer software**

Expenditure on computer software that is not an integral part of the related hardware is treated as an intangible asset and is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line basis over their estimated useful lives. The annual amortisation rates are 10% to 33.3%. Software development projects in progress are not amortised as these computer software are not yet available for use.

ii. Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. They are amortised on a straight-line basis over their contractual periods or estimated useful lives once they are available for use. The principal annual amortisation rates ranges from 5% to 20%.

2.2.7 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value. Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less impairment losses.

2.2.8 Assets (or disposal groups) held for sale

Assets or group of assets are classified as "held for sale" if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Depreciation ceases when an asset is classified as a held or sale. Assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

A discontinuing operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinuing operations is presented separately in the statement of comprehensive income.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P) (Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2.9 Inventories

i. Land held for property development

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current. The carrying value of such land classified as inventory under non-current assets is carried at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

ii. Property development costs

Property development costs are stated at the lower of cost and net realisable value. The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development costs are transferred from land held for property development when physical development activities have commenced and can be completed within the Group's normal development cycle.

iii. Completed development units

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprises costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

iv. Finished goods, raw material and consumable stores

Inventories are stated at the lower of cost and net realisable value. Cost includes cost of purchase plus incidental cost and other costs of bringing the inventories to their present location and condition. The cost of inventories is determined on a weighted average basis.

Net realisable value is the estimate of the selling price in the ordinary course of business, less cost to completion and selling expenses.

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.10 Financial assets**

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise. The Group's financial assets are classified into two categories and the accounting policy for each of these categories are shown below.

i. Loans and receivables

'Trade and other receivables (excluding prepayment and GST recoverable)' (Note 2.23), 'contract assets' (Note 2.24), 'cash held under Housing Development Accounts' (Note 2.25) and 'bank balances, deposits and cash' (Note 2.26) are financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are classified as loans and receivables. These financial assets are recorded at fair value plus transaction costs and thereafter, they are measured at amortised cost using the effective interest method less accumulated impairment losses.

ii. Available-for-sale financial assets

Available-for-sale financial assets (Note 2.20) are financial assets that are designated as available for sale or are not classified in loans and receivables category. These financial assets are recorded initially at fair value plus transaction costs and thereafter, they are measured at fair value. Except for impairment, foreign exchange gains and losses on translation of monetary available-for-sale financial assets such as debt instruments, interest calculated using the effective interest method and dividends which are recognised in profit or loss, any gains or losses arising from changes in fair value are recognised in other comprehensive income. On derecognition, the cumulative gain or loss is reclassified from available-for-sale reserve to profit or loss. Decline in fair value that had been recognised in other comprehensive income is also reclassified from equity to profit or loss when there is objective evidence that the asset is impaired.

Financial assets are classified as current assets for those having maturity dates of less than 12 months after the reporting date, otherwise the balance is classified as non-current. For available-for-sale financial assets, the classification is based on expected date of realisation of the assets.

Regular way of purchase or sale of a financial asset is recognised on the settlement date i.e. the date that an asset is delivered to or by the Group. A contract that requires or permits net settlement of the change in the value of the contract is not a regular way contract. Such contract is accounted for as a derivative in the period between the trade date and the settlement date.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P) (Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2.11 Impairment

Intangible assets that have an indefinite useful life or are not yet available for use are tested for impairment. Other non-financial assets are assessed for indication of impairment. If an indication exists, an impairment test is performed. In the case of financial assets and interest in joint ventures and associates, they are assessed for objective evidence of impairment.

This exercise is performed annually and whenever events or circumstances occur indicating that impairment may exist.

The recognition and measurement of impairment are as follows:

i. Non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment loss on non-financial assets is charged to profit or loss.

Assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior financial years.

ii. Joint ventures and associates

An impairment loss is recognised for the amount by which the carrying amount of the joint venture or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal.

Any subsequent increase in recoverable amount is recognised in the profit or loss.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.11 Impairment (continued)**

The recognition and measurement of impairment are as follows: (continued)

iii. Loans and receivables

Loans and receivables are assessed individually and thereafter collectively for objective evidence of impairment. If evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. Reversal of impairment loss to profit or loss, if any, is restricted to not resulting in the carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised previously.

iv. Available-for-sale financial assets

A significant or prolonged decline in the fair value of the available-for-sale financial assets below their cost is considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the decline in fair value together with the cumulative loss recognised in other comprehensive income, if any, is taken to profit or loss.

An impairment loss recognised for equity instrument is not reversed through profit or loss. Reversal of impairment losses through profit or loss is made only if the financial asset is a debt instrument and the increase in fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

For unquoted available-for-sale financial assets, as the range of reasonable fair value estimates is very wide and the probabilities of various estimates cannot be reasonably assessed, management has concluded that the financial assets will be measured at cost less impairment.

2.2.12 Share capital

Proceeds from ordinary shares issued are accounted for as share capital in equity. Cost directly attributable to the issuance of new equity shares are deducted from equity.

Dividends to equity holders are recognised in the statements of changes in equity in the period in which they are paid or declared. Dividends on ordinary shares are recognised as liabilities when declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributable at the end of the reporting period.

Redeemable preference shares issued are classified as equity as the preference shares bear no predetermined dividend rate and are redeemable at the discretion of the Board of Directors. The dividend on these preference shares are recognised in the statements of changes in equity in the financial year in which they are paid or declared.

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.13 Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, where the outflow of resources is probable and can be reliably estimated. Provisions are measured at the present value of the obligation. The increase in the provisions due to the passage of time is recognised as interest expense.

i. Statutory development

Provision for statutory development represents the shortfall of the economic benefits against the estimated costs of meeting the present obligation to develop affordable housing. The provision is recognised as a part of the township's development costs and will be used to set-off against the expenditures incurred in discharging the obligations.

ii. Warranty for distressed house buyers

The Group recognises the estimated liability to repair or replace products still under warranty at the end of the reporting period. This provision is calculated based on past history of the level of repairs and replacements.

2.2.14 Contract assets and liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. A contract liability is recognised when the golf membership fees are collected in advance for the tenure of the memberships offered.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P) (Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

2.2.15 Employee costs

i. Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the services are rendered by employees.

ii. Defined contribution plans

A defined contribution pension plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has various defined contribution plans in accordance with local conditions and practices in the countries in which it operates. The Group's contributions to defined contribution plans are charged to the profit or loss in the financial year in which they relate.

iii. Termination benefits

Termination benefits are payable whenever an employee's employment is terminated in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of a proposal to encourage voluntary redundancy.

iv. Other long-term employee benefits

Other long-term employee benefits such as deferred compensation payable twelve months or more after the service period are calculated based on the Group's policy using the same methodology as other post-employment benefits.

v. Share-based compensation

Sime Darby Berhad, the Company's immediate holding company, operates an equity-settled, share-based compensation plan (Performance-Based Employee Share Scheme or "PBESS") for the employees of Sime Darby Berhad Group.

Employee services received by the Company in exchange for the grant of Sime Darby Berhad's shares are recognised as an expense in the profit or loss over the vesting period of the grant with a corresponding increase in equity (as capital contribution). Where the share grants are subsequently recharged to the Company by Sime Darby Berhad, the amounts are debited against the equity.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.15 Employee costs (continued)****v. Share-based compensation (continued)**

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted.

Non-market vesting conditions are included in the assumptions to arrive at the number of shares that are expected to vest. At the end of the reporting period, Sime Darby Berhad revises its estimates of the number of shares that are expected to vest. The impact of the revision of original estimates, if any, is adjusted in the profit or loss with a corresponding adjustment in the equity or in the amount recharged to the Company.

2.2.16 Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value. Trade and other payables are subsequently measured at amortised cost using the effective interest method.

2.2.17 Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial liabilities with another enterprise under conditions that are potentially unfavourable.

The Group's financial liabilities are classified as "other financial liabilities" and the accounting policy is as follows:

i. Other financial liabilities

'Trade and other payables (excluding GST payable)' (Note 2.36), 'loans due to related companies' (Note 2.35) and 'borrowings' (Note 2.32). are recognised initially at fair value plus transaction costs and thereafter, at amortised cost using the effective interest method. Amortisation is charged to profit or loss.

Financial liabilities are classified as current liabilities for those having maturity dates of less than 12 months after the reporting date, otherwise the balance is classified as non-current.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expired.



14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.18 Offsetting financial statements**

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.2.19 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand and deposits held at call with banks and cash held under Housing Development Accounts and bank overdrafts. Bank overdrafts, if any, are included within borrowings in current liabilities on the statements of financial position.

2.2.20 Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals on operating leases are charged to the profit or loss on a straight-line basis over the lease term.

2.2.21 Revenue recognition**i. Revenue from property development**

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the output method, which is based on the level of completion of the physical proportion of contract work to-date, certified by professional consultants.



14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.21 Revenue recognition (continued)****i. Revenue from property development (continued)**

The promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan. The purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group. The Group has the right to payment for performance completed to date. The Group is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

ii. Revenue for concession arrangement

Under the Concession Agreement, the Group is engaged to construct the facilities and infrastructure, supply teaching equipment and provide asset management services, which are separate performance obligations. The fair value of revenue, which is based on fixed price under the agreement have been allocated based on relative stand-alone selling price of the considerations for each of the separate performance obligations. The Group recognised construction revenue over time as the Project being constructed has no alternative use to the Group and the Group has an enforceable right to the payment for the performance completed to date. The stage of completion is measured using the output method, which is based on the level of completion of the physical proportion of contract work to-date, certified by professional consultants.

Revenue from the supply of teaching equipment is recognised when the control of the asset is transferred to the customer when:

- the Group has delivered and transferred the physical possession of the asset and has a present right to payment for the asset; and
- the customer has accepted the assets after the assets have been tested and commissioned and the customer has significant risks and rewards of ownership of the asset.

iii. Revenue for golf membership

The Group provides golf membership. Golf membership fees are received upfront and recognised on a straight line basis over the tenure of the memberships offered.

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.21 Revenue recognition (continued)****iv. Rental income**

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements. Other rent related income is recognised in the accounting period in which the services being rendered.

v. Interest income

Interest income is recognised on an accrual basis, using the effective interest method, unless collectability is in doubt, in which case it is recognised on a cash receipt basis.

vi. Dividend income

Dividend income is recognised when the right to receive payment is established.

2.2.22 Taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is recognised in other comprehensive income.

The current income tax charge for the Group is the expected income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither accounting nor taxable profit and loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when the enterprise has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.23 Borrowing and borrowing costs**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the acquisition or construction of any qualifying assets. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of those assets until the assets are substantially ready for their intended use or sale.

Borrowing costs incurred on borrowings directly associated with property development activities up to completion is capitalised and included as part of property development costs.

2.2.24 Contingent liabilities

The Group does not recognise contingent liabilities, but discloses their existence in the notes to the financial statements. A contingent liability is a possible obligation that arises from past events which existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that is not recognised because it cannot be measured reliably.

2.2.25 Finance leases

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. The assets are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments at the inception of the respective leases. The corresponding liabilities are classified as finance lease obligations.

Lease payments are allocated between the finance charges and finance lease obligations. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining finance lease obligations.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the assets and the lease term.

2.2.26 Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to management for the allocation of resources and assessment of its performance. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**2.2.26 Segment reporting (continued)**

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group companies within a single segment. Intragroup transactions which in substance represent reallocation of non-current assets from a segment to another segment are also eliminated. Inter-segment pricing is based on similar terms as those available to external parties.

2.2.27 Earnings per share ("EPS")

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic EPS of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

Diluted EPS of the Group is calculated by adjusting the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, if any.

2.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conforming to MFRS requires the use of certain critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The Directors exercise their judgement in the process of applying the Group's accounting policies. Estimates and assumptions are based on the Directors' best knowledge of current events. Such estimates and judgement could change from period to period and have a material impact on the results, financial position, cash flows and other disclosures.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

a. Revenue recognition from property development activities

Revenue is recognised as and when the control of the asset is transferred to our customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of that performance obligation based on the certified work-to-date corroborated by the level of completion of the development based on actual costs incurred to-date over the estimated total property development costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES**b. Deferred tax assets**

Deferred tax assets arose mainly from property development, unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences or unutilised tax losses and tax credits can be utilised. This involves judgement regarding the future taxable profits of a particular entity in which the deferred tax asset has been recognised.

Deferred tax assets relating to property development are mainly attributable to unrealised profits reversed at the Group's level, which arose from disposal of lands within the Group, that were subject to tax. Deferred taxation on unrealised profits are recognised in the profit or loss upon sales of developed units to the customers.

The future taxable profits are determined based on the expected future profits arising from the Group's property development projects including other income expected to be generated from these projects. In evaluating whether it is probable that future taxable profits will be available in future periods, all available evidences were considered, including the approved budgets and analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and measurement of the Group's performance.

The deferred tax assets recognised is disclosed in the Note 2.22.

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.4 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES**a. Financial risk management**

The Group's operations expose it to a variety of financial risks, including foreign currency exchange risk, price risk, interest rate risk, credit risk and liquidity and cash flow risk. The Group's overall financial risk management policies seek to manage and minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group's exposure to these financial risks are managed through risk reviews, internal control systems, insurance programmes and adherence to Group Policies and Authorities which are implemented on a group-wide basis. The Board regularly reviews these risks and approves the policies covering the management of these risks.

i. Foreign currency exchange risk

The Group has minimal exposure to foreign currency transaction risk as the bulk of the Group's financial assets and liabilities are denominated in the Group's functional currencies. However, the Group has significant exposure to foreign currency translation risk due to its interest in Battersea Project Holding Company Limited group, a joint venture. The Group does not hedge its long term investment in foreign operations but hedges planned capital injection, where necessary, to minimise adverse impact arising from short term fluctuation in foreign currency exchange rates.

The Directors are of the view that exposure to foreign currency exchange risk is minimal and the management regularly monitors the foreign exchange currency fluctuations.

ii. Price risk

The Group is exposed to quoted securities price risk arising from investments held which are classified in the statements of financial position as available-for-sale financial assets. The Group considers the impact of changes in prices of equity securities on statements of comprehensive income to be insignificant.

iii. Interest rate risk

The Group's interest rate risk arises from its borrowings, loans due to related companies and deposits placed with financial institutions.

The Group manages its interest rate risk on its borrowings and loans due to related companies by closely monitoring the interest rate fluctuation. The Group also regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risks.

The Group's interest bearing assets are primarily short-term bank deposits with financial institutions. The interest rates on these deposits are monitored closely to ensure that they are maintained at favourable rates. The Group considers the risk of significant changes to interest rates on deposits to be unlikely.

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.4 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)**a. Financial risk management (continued)****iv. Credit risk**

Financial assets that are primarily exposed to credit risk are receivables and cash and bank balances.

Credit risk arising from sales made on credit terms

The Group seeks to control credit risk by dealing with counterparties with appropriate credit histories. Third party agencies' ratings are considered, if available. In addition, customers' most recent financial statements, payment history and other relevant information are considered in the determination of credit risk. Counterparties are assessed at least annually and more frequently when information on significant changes in their financial position becomes known. Credit terms and limit are set based on this assessment, where appropriate, guarantees or securities are obtained to limit credit risk.

Credit risk arising from property development

The Group does not have any significant credit risk as its services and products are predominantly rendered and sold to a large number of customers using financing from reputable end-financiers. The Group does not have any significant exposure to any individual or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

Credit risks with respect to trade receivables are limited as the ownership and rights to the properties revert to the Group in the event of default.

Credit risk arising from property investment

Credit risk arising from outstanding receivables from tenants is minimised and monitored by limiting the Group's associations to business partners with high credit worthiness. Furthermore, the tenants have placed security deposits with the Group which act as collateral. As at 30 June 2017, the carrying value of the collateral is RM1.6 million (30.6.2016: RM1.4 million, 30.6.2015: RM1.6 million, 1.7.2014: RM2.5 million).

Credit risk arising from golfing and sporting

Concentration of credit risk with respect to amounts due from members is limited due to the large number of members, the security deposits paid by members and advanced payment of annual licence fees for individual members. Sales to members are usually suspended when outstanding amounts are overdue exceeding 180 days.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.4 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)**a. Financial risk management (continued)****iv. Credit risk (continued)****Credit risk arising from deposits with licensed banks**

Credit risk also arises from deposits with licensed banks. The deposits are placed with credit worthy financial institutions. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

See Note 2.41(c) to the consolidated financial statements on credit quality of financial assets.

Credit risk arising from other receivables

Concentration of credit with respect to the other receivables is limited due to the Group's large number of customers. The Group's historical experience in collection of other receivables falls within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's other receivables.

Credit risk arising from related companies, joint ventures and associates

The amount due from related companies, joint ventures and associates are monitored closely by the Group and the Group is of the view that the balances are fully recoverable.

v. Liquidity and cash flow risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting financial obligations when it falls due. The Group maintains a prudent borrowing policy which is aimed towards maintaining sufficient cash for all cash flow requirements, managing debt and investment portfolio within the relevant time buckets to maturity, obtaining a diverse range of funding sources, keeping an adequate amount of credit facilities to provide an ample liquidity cushion, and loan from its immediate holding company.

On a quarterly basis, the Group performed rolling twelve-months cash flow projections to ensure that requirements are identified as early as possible and the Group has sufficient cash to meet operational needs. Such projections take into consideration the Group's financing plans and is also used for monitoring of covenant compliance and credit metrics.

The Group maintains centralised treasury functions where all strategic funding requirements are managed.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.4 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)**a. Financial risk management (continued)****v. Liquidity and cash flow risk (continued)**

Cash and cash equivalents of the Group (excluding cash and cash equivalents held under assets held for sale) comprise the following:

	<u>30.06.2015</u>	<u>30.06.2016</u>	<u>30.06.2017</u>
Cash held under Housing Development Accounts (Note 2.25)	556,072	610,020	581,049
Bank balances, deposits and cash (Note 2.26)	<u>250,143</u>	<u>295,990</u>	<u>494,211</u>
	<u>806,215</u>	<u>906,010</u>	<u>1,075,260</u>

The Group believes that its contractual obligations, including those shown in commitments and contingencies in Note 2.37 can be met from existing cash and investments, operating cash flows, credit lines available and other financings that the Group reasonably expects to be able to secure in future.

Refer to Note 2.41(b) for further details on the undiscounted contracted cash flows of the Group's financial liabilities as at the reporting date.

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.4 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)**b. Capital management**

Capital management refers to implementing measures to maintain sufficient capital to support its businesses. The Group's capital management objectives is to ensure the Group's ability to continue as a going concern and to maximise shareholders' value. The Group is committed towards optimising their capital structure, to ensure a competitive cost of capital. Implementation of optimal capital structure includes balancing between debt and equity by putting in place appropriate dividend and financing policies which influence the level of debt and equity.

The Group uses the gearing ratio to assess the appropriateness of their debt level, hence determining their capital structure. The ratio is calculated as total external debts divided by total equity. The Group's gearing ratio is as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Borrowings	1,734,509	2,140,692	*1,168,881
Interest payable	<u>2,732</u>	<u>195</u>	<u>264</u>
Total external debts	<u>1,737,241</u>	<u>2,140,887</u>	<u>1,169,145</u>
Total equity	<u>4,375,602</u>	<u>5,508,367</u>	<u>6,587,901</u>
External debts/equity ratio	<u>0.40</u>	<u>0.39</u>	<u>0.18</u>

* exclude borrowings presented in liabilities associated with assets held for sale.

Given the relatively low gearing level, the Group still has the capacity to borrow for expansion, provided an acceptable level of gearing ratio is maintained.

The Group maintains a debt to equity ratio that complies with debt covenants and regulatory requirements in countries where the Group operates. This includes minimum capital requirements and the requirement to maintain legal reserves which are non-distributable.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.5 REVENUE

The Group has recognised the following amounts relating to revenue in the consolidated statements of profit or loss:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue from contracts with customers			
- Property development	2,997,785	2,335,284	2,391,658
- Golf membership	3,883	4,778	4,383
- Leisure and hospitality	160,138	155,793	113,821
	<u>3,161,806</u>	<u>2,495,855</u>	<u>2,509,862</u>
Revenue from other sources:			
- Property investment	92,127	94,882	54,537
	<u>3,253,933</u>	<u>2,590,737</u>	<u>2,564,399</u>

- a. The Group derives revenue property development over-time and at a point in time. This revenue is derived in the following geographical regions:

	<u>Malaysia</u>	<u>Australia</u>	<u>Total</u>
<u>2015</u>			
Revenue from external customers	<u>2,997,785</u>	-	<u>2,997,785</u>
Timing of revenue			
- At a point in time	1,638,356	-	1,638,356
- Over time	1,359,429	-	1,359,429
	<u>2,997,785</u>	-	<u>2,997,785</u>
<u>2016</u>			
Revenue from external customers	<u>2,335,284</u>	-	<u>2,335,284</u>
Timing of revenue			
- At a point in time	1,265,439	-	1,265,439
- Over time	1,069,845	-	1,069,845
	<u>2,335,284</u>	-	<u>2,335,284</u>
<u>2017</u>			
Revenue from external customers	<u>2,030,469</u>	<u>17,889</u>	<u>2,048,358</u>
Timing of revenue			
- At a point in time	932,293	17,889	950,182
- Over time	1,098,176	-	1,098,176
	<u>2,030,469</u>	<u>17,889</u>	<u>2,048,358</u>

For golf membership and leisure and hospitality, the timing of revenue over time is insignificant for the Group.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.6 OPERATING EXPENSES

The following items have been charged/(credited) in arriving at operating expenses:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Property development costs (Note 2.19(b))	1,826,058	1,382,181	1,241,158
Cost of completed development units sold	199,621	20,638	224,717
Finished goods and other direct costs of sales	74,281	177,755	89,023
Employee costs:			
- wages, salaries and bonus	165,149	153,401	152,367
- defined contribution plans	21,651	23,401	20,755
- employee share scheme	180	(4,604)	-
- other employee benefits	28,095	36,904	31,304
- termination benefits	-	-	29,642
Directors' remuneration (Note 2.6(a))	961	1,199	1,185
Depreciation of:			
- property, plant and equipment (Note 2.14(c) & 2.16)	44,671	47,083	47,960
- investment properties (Note 2.18)	14,785	10,447	6,802
Amortisation of:			
- prepaid lease rentals (Note 2.17)	408	53	-
- intangible assets (Note 2.21)	2,646	2,427	2,438
Loss on disposal of:			
- property, plant and equipment	63	1,422	-
- intangible assets	34	-	-
Loss on liquidation of subsidiaries	-	155	-
Provision/(write-back of provision) for impairment of:			
- property, plant and equipment (Note 2.14(c) & 2.16)	-	19,075	(16,052)
- investment properties (Note 2.18)	4,486	-	(1,878)
- trade and other receivables (Note 2.23(e))	(12,101)	35,573	(14,054)
- amounts due from a related company (Note 2.23(e))	-	1,555	(1,555)
Inventories written down	-	-	148,998
Write-offs of:			
- property, plant and equipment (Note 2.16 & 2.14(c))	5,517	19	810
- investment properties (Note 2.18)	7,452	9	11
- trade and other receivables	72	68	-
Auditors' remuneration:			
Fees for statutory audits:			
- PricewaterhouseCoopers, Malaysia	1,084	1,116	1,140
- member firms of PricewaterhouseCoopers International Limited	874	863	833
- under provision in respect of prior financial year	97	244	73
Fees for other assurance related and non-audit service:			
- PricewaterhouseCoopers, Malaysia	465	498	2,022

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.6 OPERATING EXPENSES (CONTINUED)

The following items have been charged/(credited) in arriving at operating expenses: (continued)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Hire of plant and machinery (Note 2.6(b))	5,570	3,509	3,887
Rental of land and buildings [note (c)]	18,969	18,567	17,051
Contribution payable to Yayasan Sime Darby	11,300	10,000	5,000
Management fees charged by:			
- a related company	17,172	16,020	19,509
Advertising and promotion	38,042	38,462	47,182
Repair and maintenance	54,272	52,933	51,375
Other operating expenses	98,672	111,835	117,826
	<u>2,630,546</u>	<u>2,162,808</u>	<u>2,229,529</u>
a. Directors' remuneration			
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Non-executive Directors:			
- fees	<u>961</u>	<u>1,199</u>	<u>1,185</u>
b. Hire of plant and machinery			
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Related companies	3,033	2,627	2,689
External	<u>2,537</u>	<u>882</u>	<u>1,198</u>
	<u>5,570</u>	<u>3,509</u>	<u>3,887</u>
c. Rental of land and buildings			
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Related companies	281	281	291
External	<u>18,688</u>	<u>18,286</u>	<u>16,760</u>
	<u>18,969</u>	<u>18,567</u>	<u>17,051</u>
d. Included in operating expenses are direct costs attributable to the business operations amounting to RM1,728,324 (2016: RM1,620,027, 2015: RM2,127,815)			

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.7 OTHER OPERATING INCOME

The following items have been credited in arriving at other operating income:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Royalty income	1,396	1,930	643
Gain on disposal of:			
- property, plant and equipment	172	27,935	1,084
- investment properties	72,348	4,400	14,387
- joint venture	157,248	-	-
- subsidiaries	6	447,026	130,359
- assets held for sale	9,585	39,711	-
Liquidated ascertained damages claims received	416	461	2,588
Write-back of payables and accruals	478	8,101	-
Other rental income	1,995	2,893	4,757
Forfeiture of deposits	2,777	1,882	1,046
Maintenance charges	1,883	-	39
Non-refundable tender deposits	1,446	1,061	820
Recoveries and other miscellaneous income	8,477	4,411	9,175
	<u>258,227</u>	<u>539,811</u>	<u>164,898</u>

2.8 OTHER (LOSSES)/GAINS

The following items have been (charged)/credited in arriving at other (losses)/gains:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Foreign currency exchange (losses)/gains:			
- realised	(78)	5,420	(727)
- unrealised	(22)	(36)	(45)
	<u>(100)</u>	<u>5,384</u>	<u>(772)</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.9 JOINT VENTURES

The Group's interest in the joint ventures, their respective principal activities and countries of incorporation are shown in Note 2.42.

The Group's investments in joint ventures are as follows:

	<u>Material joint venture</u>	<u>Others</u>	<u>Total</u>
1 July 2014			
Unquoted shares, at costs	584,974	21,175	606,149
Contribution to joint venture	-	6,200	6,200
Share of post-acquisition reserves	(30,506)	(39,235)	(69,741)
Exchange differences	42,756	-	42,756
Shareholder's advance	-	5,335	5,335
Carrying value of investments in joint ventures at 1 July 2014	<u>597,224</u>	<u>(6,525)</u>	<u>590,699</u>
2015			
Share of result/total comprehensive loss for the financial year	<u>(69,252)</u>	<u>(5,701)</u>	<u>(74,953)</u>
Unquoted shares, at costs	884,792	21,175	905,967
Contribution to joint venture	-	6,200	6,200
Share of post-acquisition reserves	(99,759)	(44,935)	(144,694)
Exchange differences	124,029	-	124,029
Disposal during the financial year	-	573	573
Shareholder's advance	-	37,025	37,025
Carrying value of investments in joint ventures at 30 June 2015	<u>909,062</u>	<u>20,038</u>	<u>929,100</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.9 JOINT VENTURES (CONTINUED)

	<u>Material joint venture</u>	<u>Others</u>	<u>Total</u>
2016			
Share of results/total comprehensive (loss)/income for the financial year	<u>(20,473)</u>	<u>1,420</u>	<u>(19,053)</u>
Unquoted shares, at costs	1,459,200	78,299	1,537,499
Contribution to joint venture	-	6,200	6,200
Share of post-acquisition reserves	(120,232)	(43,515)	(163,747)
Exchange differences	(25,672)	734	(24,938)
Shareholder's advance	-	53,525	53,525
Carrying value of investments in joint ventures at 30 June 2016	<u>1,313,296</u>	<u>95,243</u>	<u>1,408,539</u>
2017			
Share of results/total comprehensive income for the financial year	<u>139,467</u>	<u>*139,485</u>	<u>278,952</u>
Unquoted shares, at costs	1,823,794	45,172	1,868,966
Contribution to joint venture	-	6,200	6,200
Share of post-acquisition reserves	19,235	(23,259)	(4,024)
Exchange differences	22,304	3,262	25,566
Shareholder's advance	-	71,275	71,275
Carrying value of investments in joint ventures at 30 June 2017	<u>1,865,333</u>	<u>102,650</u>	<u>1,967,983</u>

- * During the financial year ended 30 June 2017, included in the Group's share of results within 'Others' is the share of a one-off gain of RM135.4 million from the disposal of an investment property by Sime Darby Real Estate Investment Trust 1. The share of results and the share of net assets of the joint venture are not material to the Group.

During the financial year ended 30 June 2017, the Group received dividend income from Sime Darby Real Estate Investment Trust 1 amounting to RM119,229,000 (2016: RM Nil; 2015: RM Nil).

The shareholder's advance to joint venture is unsecured, interest free with no fixed term of repayment. The shareholder's advance is not expected to be repaid in the foreseeable future and is considered as part of the Group's net investments in the joint ventures.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.9 JOINT VENTURES (CONTINUED)**a. Joint venture which is material to the Group**

The Directors are of the opinion that Battersea Project Holding Company Limited ("Battersea"), a property group incorporated and domiciled in Jersey, is material to the Group.

Battersea is a joint venture between Setia International Limited, a subsidiary of S P Setia Berhad, Kwasa Global (Jersey) Limited and Sime Darby Property (Hong Kong) Limited, a subsidiary of Sime Darby Property Berhad. Battersea was formed to acquire and develop the Battersea Power Station site in London, United Kingdom, and for the Group to expand its footprint into a key international market for property development and investment.

Summarised financial information

The information below reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint venture, which are accounted for using the equity method.

Set out below are the summarised consolidated statement of comprehensive income of Battersea.

	Battersea		
	2015	2016	2017
Revenue	-	-	2,016,613
Depreciation and amortisation	(25,658)	(1,215)	(4,316)
Interest income	73	100	193
Interest expenses	-	(208)	(365)
(Loss)/Profit before taxation	(166,790)	(47,434)	350,473
Taxation	(6,341)	(3,749)	(1,806)
(Loss)/Profit for the financial year/total comprehensive (loss)/profit attributable to joint venture	(173,131)	(51,183)	348,667
Share of results of joint venture/total comprehensive (loss)/income of joint venture for the financial year	(69,252)	(20,473)	139,467

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.9 JOINT VENTURES (CONTINUED)**a. Joint venture which is material to the Group (continued)****Summarised financial information (continued)**

Set out below are the summarised consolidated statement of financial position of Battersea.

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>Battersea 30.6.2017</u>
<u>Non-current assets</u>				
Other non-current assets	26,381	785	12,727	158,284
<u>Current assets</u>				
Cash and cash equivalents	405,020	862,832	878,665	785,058
Inventories	3,564,117	5,237,111	7,501,860	9,222,903
Other current assets	219,467	216,654	464,411	713,470
	<u>4,188,604</u>	<u>6,316,597</u>	<u>8,844,936</u>	<u>10,721,431</u>
<u>Non-current liabilities</u>				
Financial liabilities (excluding trade and other payables)	(1,955,633)	(2,572,617)	(3,712,333)	(4,017,046)
Other non-current liabilities	-	(39,139)	(35,479)	-
	<u>(1,955,633)</u>	<u>(2,611,756)</u>	<u>(3,747,812)</u>	<u>(4,017,046)</u>
<u>Current liabilities</u>				
Financial liabilities (excluding trade and other payables)	-	(1,359)	(2,039)	(4,480)
Other current liabilities	(766,293)	(1,431,611)	(1,824,573)	(2,194,856)
	<u>(766,293)</u>	<u>(1,432,970)</u>	<u>(1,826,612)</u>	<u>(2,199,336)</u>
Net assets	<u>1,493,059</u>	<u>2,272,656</u>	<u>3,283,239</u>	<u>4,663,333</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.9 JOINT VENTURES (CONTINUED)**a. Joint venture which is material to the Group (continued)****Summarised financial information (continued)**

The total projected Gross Development Value ("GDV") for the Battersea project is GBP9,330 million (equivalent to RM51,968 million at an exchange rate of RM5.57: GBP1). As at the end of the financial year, a total of three phases with total GDV of GBP4,385 million (equivalent to RM24,424 million at an exchange rate of RM5.57: GBP1) have been launched. The revenue and profit from the development are recognised upon fulfillment of the revenue recognition criteria based on the terms of the sale contracts. The inventories represent property development costs incurred as at 30 June 2017 is RM9,223 million (30.6.2016: RM7,502 million; 30.6.2015: RM5,237 million; 1.7.2014: RM3,564.1 million), is measured at the lower of cost and net realisable value. The property development costs include interest expense capitalised during the financial year of RM110.9 million (30.6.2016: RM60.3 million; 30.6.2015: RM140.9 million; 1.7.2014: RM144.6 million).

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in this joint venture is as follows:

	<u>2015</u>	<u>2016</u>	<u>Battersea 2017</u>
<u>Net assets</u>			
At 1 July	1,493,059	2,272,656	3,283,239
Total comprehensive (loss)/income	(173,131)	(51,183)	348,667
Additional allotment during the financial year	749,545	1,436,020	911,485
Exchange differences	203,183	(374,254)	119,942
At 30 June	<u>2,272,656</u>	<u>3,283,239</u>	<u>4,663,333</u>
Group's interest in the joint venture (%)	40%	40%	40%
Interest in joint venture/carrying amount at the end of the financial year	<u>909,062</u>	<u>1,313,296</u>	<u>1,865,333</u>

b. Others

Set out below are the financial information of all individually immaterial joint ventures on an aggregate basis:

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Carrying amount of interest in joint venture	<u>20,038</u>	<u>95,243</u>	<u>102,649</u>
Share of results of joint ventures/total comprehensive (loss)/income for the financial year	<u>(5,701)</u>	<u>1,420</u>	<u>139,485</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.9 JOINT VENTURES (CONTINUED)

c. Share of the capital commitments and contingent liabilities of joint ventures:

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Approved and contracted for	167,406	111,105	117,852
Approved but not contracted for	<u>3,698</u>	<u>25,047</u>	<u>-</u>

Analysed as follows:

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Construction of investment property	167,406	111,105	-
Purchase of property, plant and equipment	3,698	25,047	-
Purchase of lands for property development	<u>126,039</u>	<u>114,251</u>	<u>117,852</u>

There are no contingent liabilities relating to the Group's interest in the joint ventures.

The Group's commitments and contingent liabilities in relation to its joint ventures are disclosed in Note 2.37.

2.10 ASSOCIATES

The Group's interest in the associates, their respective principal activities and countries of incorporation are shown in Note 2.42.

The Group's investments in associates are as follows:

	<u>Material associate</u>	<u>Others</u>	<u>Total</u>
1 July 2014			
Unquoted shares, at costs	449,039	36,803	485,842
Share of post-acquisition reserves	(28,720)	81,817	53,097
Accumulated impairment losses	-	(203)	(203)
Carrying value of investments in associates at 1 July 2014	<u>420,319</u>	<u>118,417</u>	<u>538,736</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.10 ASSOCIATES (CONTINUED)

	<u>Material associate</u>	<u>Others</u>	<u>Total</u>
2015			
Share of results	8,343	5,948	14,291
Share of other comprehensive loss	(95)	(3,560)	(3,655)
Share of total comprehensive income for the financial year	<u>8,248</u>	<u>2,388</u>	<u>10,636</u>
Unquoted shares, at costs	449,039	36,803	485,842
Share of post-acquisition reserves	(27,673)	82,419	54,746
Shareholder's advance	-	7,690	7,690
Accumulated impairment losses	-	(203)	(203)
Carrying value of investments in associates at 30 June 2015	<u>421,366</u>	<u>126,709</u>	<u>548,075</u>
2016			
Share of results	14,636	9,712	24,348
Share of other comprehensive income	63	492	555
Share of total comprehensive income for the financial year	<u>14,699</u>	<u>10,204</u>	<u>24,903</u>
Unquoted shares, at costs	449,039	36,803	485,842
Share of post-acquisition reserves	(12,974)	90,830	77,856
Shareholder's advance	-	8,122	8,122
Accumulated impairment losses	-	(203)	(203)
Carrying value of investments in associates at 30 June 2016	<u>436,065</u>	<u>135,552</u>	<u>571,617</u>
2017			
Share of results	32,199	7,502	39,701
Share of other comprehensive loss	-	(3,282)	(3,282)
Share of total comprehensive income for the financial year	<u>32,199</u>	<u>4,220</u>	<u>36,419</u>
Unquoted shares, at costs	449,039	36,803	485,842
Share of post-acquisition reserves	(110,775)	93,249	(17,526)
Shareholder's advance	-	8,747	8,747
Accumulated impairment losses	-	(203)	(203)
Transferred to assets held for sale (Note 2.27)	(338,264)	-	(338,264)
Carrying value of investments in associates at 30 June 2017	<u>-</u>	<u>138,596</u>	<u>138,596</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.10 ASSOCIATES (CONTINUED)

The shareholder's advance to associate is unsecured and bears interest at a rate of 7.65% (30.6.2016: 7.85%; 30.6.2015: 7.85%; 1.7.2014: RM Nil) per annum. The amount due from the associate is not expected to be repaid in the foreseeable future and is considered as part of the Group's investments in the associate.

a. Associate which is material to the Group

The Directors are of the opinion that Seriemas Development Sdn Bhd group ("Seriemas"), a property company incorporated and domiciled in Malaysia, is material to the Group.

The Group's 40% equity interest in Seriemas arose from the merger with Golden Hope Plantations Bhd ("GHPB") in November 2007 as a result of a rationalisation exercise by GHPB in November 2004, which involved the acquisition of plantation assets by GHPB and the dilution of GHPB's 100% interest in the property development companies. Seriemas currently owns landbanks in Malaysia and is involved in property development and investment.

During the financial year, the Group had made the decision to dispose of its 40% equity interest in Seriemas. Accordingly, the Group's entire investment in Seriemas have been presented as assets held for sale as at 30 June 2017 (Note 2.27). The Group entered into a share sales agreement with PNB Development Sdn Bhd on 31 July 2017 for a total consideration of RM625 million.

Summarised financial information

Set out below are the summarised statements of comprehensive income of and dividends received from Seriemas.

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue	108,177	125,412	143,748
Depreciation and amortisation	(542)	(630)	(865)
Interest income	3,992	1,970	2,446
Interest expense	(209)	(174)	(165)
Profit before taxation	26,600	51,007	115,767
Taxation	(5,890)	(14,870)	(35,770)
Profit for the financial year	20,710	36,137	79,997
Non-controlling interests	148	454	500
Profit attributable to owners of associate	20,858	36,591	80,497
Other comprehensive (loss)/income	(238)	157	-
Total comprehensive income attributable to owners of associate	<u>20,620</u>	<u>36,748</u>	<u>80,497</u>
Share of results of associate	8,343	14,636	32,199
Share of other comprehensive (loss)/income of associate	(95)	63	-
Share of total comprehensive income of associate for the financial year	<u>8,248</u>	<u>14,699</u>	<u>32,199</u>
Dividends received from associate	<u>7,200</u>	-	<u>130,000</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.10 ASSOCIATES (CONTINUED)

a. Associate which is material to the Group (continued)

Summarised financial information (continued)

Set out below are the summarised statements of financial position of Seriemas.

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Non-current assets	827,457	818,995	821,832	750,000
<u>Current assets</u>				
Cash and cash equivalents	90,196	91,984	108,183	136,563
Other current assets	454,032	470,060	498,260	479,001
	<u>544,228</u>	<u>562,044</u>	<u>606,443</u>	<u>615,564</u>
<u>Non-current liabilities</u>				
Financial liabilities (excluding trade and other payables)	(4,678)	(4,100)	(3,547)	(2,924)
<u>Current liabilities</u>				
Financial liabilities (excluding trade and other payables)	-	(533)	(553)	(576)
Other current liabilities	(54,619)	(61,546)	(73,022)	(255,913)
	<u>(54,619)</u>	<u>(62,079)</u>	<u>(73,575)</u>	<u>(256,489)</u>
Non-controlling interests	1,593	1,741	2,196	2,695
Net assets	<u>1,313,981</u>	<u>1,316,601</u>	<u>1,353,349</u>	<u>1,108,846</u>

The information above reflects the amounts presented in the financial statements of the associate which has been adjusted for the differences in accounting policies between the Group and the associate as well as post-acquisition changes to the fair value adjustment at acquisition date.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.10 ASSOCIATES (CONTINUED)

a. Associate which is material to the Group (continued)

Summarised financial information (continued)

The most recent available consolidated financial statements of the associate are used in applying equity method of accounting with appropriate adjustments made for significant transactions occurring between that date and 30 June 2017.

<u>Name of associate</u>	<u>Statutory reporting date</u>	<u>Period consolidated by Group</u>
Seriemas	31 December	30 June 2017

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Seriemas is as below:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Net assets</u>			
At 1 July	1,313,981	1,316,601	1,353,349
Total comprehensive income	20,620	36,748	80,497
Dividends paid	(18,000)	-	(325,000)
At 30 June	<u>1,316,601</u>	<u>1,353,349</u>	<u>1,108,846</u>
Group's effective interest (%)	40%	40%	40%
Interest in associate	526,640	541,339	443,538
Unrealised profit on transactions with associate	(105,274)	(105,274)	(105,274)
Transferred to assets held for sale	-	-	(338,264)
Carrying amount at the end of the financial year	<u>421,366</u>	<u>436,065</u>	<u>-</u>

b. Others

Set out below are the financial information of all individually immaterial associates on an aggregate basis:

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Carrying amount of interest in associates	<u>126,709</u>	<u>135,552</u>	<u>138,596</u>
Share of results of associates	5,948	9,712	7,502
Share of other comprehensive (loss)/income of associates	(3,560)	492	(3,282)
Share of total comprehensive income for the financial year	<u>2,388</u>	<u>10,204</u>	<u>4,220</u>

c. Commitments and contingent liabilities

There are neither commitment nor contingent liabilities relating to the Group's interest in the associates.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.11 FINANCE INCOME

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Finance income from:			
- joint venture	-	-	2,036
- banks and other financial institutions	14,151	14,466	13,037
- charges for late payment from purchasers	6,520	1,970	5,376
- others	3,735	1,907	2,316
	<u>24,406</u>	<u>18,343</u>	<u>22,765</u>

2.12 FINANCE COSTS

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Finance costs charged by:			
- banks and other financial institutions	55,996	58,799	49,539
- related companies	103,623	116,198	106,508
- others	-	-	8,766
	<u>159,619</u>	<u>174,997</u>	<u>164,813</u>
Interest capitalised in property development costs (Note 2.19(b))	<u>(54,791)</u>	<u>(136,367)</u>	<u>(161,209)</u>
	<u>104,828</u>	<u>38,630</u>	<u>3,604</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.13 TAXATION

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Income tax:			
In respect of current financial year:			
- Malaysian income tax	154,482	126,160	168,284
- foreign income tax	4,373	6,221	1,905
In respect of prior financial years:			
- Malaysian income tax	(3,756)	16,152	(9,358)
- foreign income tax	285	55	(21)
Total income tax	<u>155,384</u>	<u>148,588</u>	<u>160,810</u>
Deferred tax:			
- origination and reversal of temporary differences (Note 2.22)	21,233	116,916	18,919
- effects of changes in tax rate (Note 2.22)	737	7	-
Total deferred tax expense	<u>21,970</u>	<u>116,923</u>	<u>18,919</u>
Total taxation	<u>177,354</u>	<u>265,511</u>	<u>179,729</u>
Income tax attributable to:			
Profit from continuing operations	150,577	210,289	154,547
Profit from discontinuing operations (Note 2.14)	26,777	55,222	25,182
Total taxation	<u>177,354</u>	<u>265,511</u>	<u>179,729</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.13 **TAXATION (CONTINUED)**

The explanation of the relationship between taxation and profit before taxation is as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Profit before taxation from:			
- continuing operations	740,430	958,132	836,810
- discontinuing operations (Note 2.14)	<u>125,144</u>	<u>262,137</u>	<u>52,020</u>
	865,574	1,220,269	888,830
Add/(less):			
Share of results of:			
- joint ventures (Note 2.9)	74,953	19,053	(278,952)
- associates (Note 2.10)	<u>(14,291)</u>	<u>(24,348)</u>	<u>(39,701)</u>
	<u>926,236</u>	<u>1,214,974</u>	<u>570,177</u>
Applicable tax	231,559	291,593	136,842
Effects of income and tax incentives not subject to tax	(68,120)	(134,348)	(36,405)
Effects of expenses not deductible for tax purposes	17,044	45,278	65,592
Deferred tax assets not recognised in respect of current financial year's tax losses	9,193	45,231	23,032
Recognition of previously unrecognised temporary differences	(12,076)	-	(1,329)
(Over)/under provision in prior financial years	(3,471)	16,207	(9,379)
Effects of changes in tax rate on deferred tax	737	7	-
Others	<u>2,488</u>	<u>1,543</u>	<u>1,376</u>
Total taxation	<u>177,354</u>	<u>265,511</u>	<u>179,729</u>
Applicable tax rates (%)	<u>17 - 30</u>	<u>17 - 30</u>	<u>17 - 30</u>
Effective tax rate (%)	<u>20</u>	<u>22</u>	<u>20</u>

The applicable tax of the Group represents the applicable taxes of all companies under the Group based on their respective domestic tax rates.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.14 DISCONTINUING OPERATIONS

During the financial year, the Group has made the decision to dispose of Sime Darby Property Selatan Sdn Bhd and its subsidiaries which had entered into Concession Agreements with the Government of Malaysia and certain higher learning institutions to construct the facilities and infrastructure, supply of teaching related equipment and provide asset management services ("Pagoh Education Hub"). The Group has approached a number of interested parties in connection with the potential sale of the operations. The disposal is subject to the approval of the relevant authorities and the Directors are of the view that the sale will be completed in 2018. Consequently, the associated assets and liabilities have been presented as a disposal group which is classified as held for sale as at 30 June 2017 (Note 2.27).

a. Statement of comprehensive income of the discontinuing operations is as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue	370,331	780,352	51,395
Operating expenses (Note 2.14(c))	(260,683)	(559,337)	(48,469)
Other operating income	922	3,889	3,172
Profit before interest and taxation	110,570	224,904	6,098
Finance income	19,598	44,714	94,752
Finance costs (Note 2.14(d))	(5,024)	(7,481)	(48,830)
Profit before taxation	125,144	262,137	52,020
Taxation (Note 2.13)	(26,777)	(55,222)	(25,182)
Net profit and total comprehensive income for the financial year	<u>98,367</u>	<u>206,915</u>	<u>26,838</u>
Net profit and total comprehensive income for the financial year attributable owners of:			
- the Company	59,020	124,149	16,103
- non-controlling interests	<u>39,347</u>	<u>82,766</u>	<u>10,735</u>
	<u>98,367</u>	<u>206,915</u>	<u>26,838</u>

Included within revenue during the financial year ended 30 June 2017 is revenue in relation to the supply of teaching equipment amounting to RM13.5 million (2016: Nil; 2015: Nil)

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.14 **DISCONTINUING OPERATIONS (CONTINUED)**

b. Statement of cash flows of the discontinuing operations is as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net cash used in operating activities	(229,451)	(306,602)	(127,380)
Net cash generated from investing activities	2,283	3,651	18,535
Net cash generated from/(used in) financing activities	<u>266,414</u>	<u>353,374</u>	<u>(12,081)</u>
Net increase/(decrease) in cash and cash equivalents	39,246	50,423	(120,926)
Cash and cash equivalents at beginning of the financial year	<u>85,151</u>	<u>124,397</u>	<u>174,820</u>
Cash and cash equivalents at end of the financial year (Note 2.27)	<u>124,397</u>	<u>174,820</u>	<u>53,894</u>

c. Breakdown of operating expenses is as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Construction contract costs	255,761	554,023	43,706
Employee costs:			
- wages, salaries and bonus	2,147	1,946	2,333
- defined contribution plans	308	267	349
- employee share scheme	28	(49)	-
- other employee costs	185	287	316
Depreciation of:			
- property, plant and equipment	44	88	109
Write-off of property, plant and equipment	-	-	90
Auditors' remuneration:			
- PricewaterhouseCoopers, Malaysia	106	88	88
- over provision in respect of prior financial year	(1)	(26)	-
Rental of land and building	89	94	9
Other operating expenses	<u>2,016</u>	<u>2,619</u>	<u>1,469</u>
	<u>260,683</u>	<u>559,337</u>	<u>48,469</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.14 DISCONTINUING OPERATIONS (CONTINUED)

d. Breakdown of finance costs is as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Finance costs charged by financial institutions	-	19	16
Profit share arising from Syndicated Islamic Term Financing Facilities	21,051	47,736	62,299
Interest on shareholders' advance	68	105	685
Effects of discounting of financial liabilities	531	-	6,582
	<u>21,650</u>	<u>47,860</u>	<u>69,582</u>
Less: Interest capitalised	<u>(16,626)</u>	<u>(40,379)</u>	<u>(20,752)</u>
	<u>5,024</u>	<u>7,481</u>	<u>48,830</u>

2.15 EARNINGS PER SHARE

Basic and diluted earnings per share attributable to owners of the Company are computed as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Profit for the financial year			
- continuing operations	560,809	749,076	607,926
- discontinuing operations	59,020	124,149	16,103
	<u>619,829</u>	<u>873,225</u>	<u>624,029</u>
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000
Earnings per share (sen)			
- continuing operations	56.1	74.9	60.8
- discontinuing operations	5.9	12.4	1.6
	<u>62.0</u>	<u>87.3</u>	<u>62.4</u>

There are no dilutive potential ordinary shares attributable to the Company as at the end of the financial year.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.16 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land	Buildings	Plant and machinery	Vehicles, equipment and fixtures	Capital work in progress	Total
Cost	65,311	112,247	694,946	67,927	147,870	45,132	1,133,433
Accumulated depreciation	-	(14,712)	(139,350)	(58,017)	(93,359)	-	(305,438)
Accumulated impairment loss	(6,500)	-	(4,160)	-	-	(1,679)	(12,339)
Carrying amount at 1 July 2014	58,811	97,535	551,436	9,910	54,511	43,453	815,656
2015							
Carrying amount							
At 1 July 2014	58,811	97,535	551,436	9,910	54,511	43,453	815,656
Additions	542	-	21,854	2,589	10,310	35,343	70,638
Disposals	-	-	-	(11)	(174)	-	(185)
Write-offs (Note 2.6)	(542)	-	(4,767)	(172)	(36)	-	(5,517)
Transferred from/(to):							
- property development costs (Note 2.19(b))	-	-	5,078	-	-	-	5,078
- assets held for sale (Note 2.27)	-	77	2,102	(995)	850	-	2,034
- intangible assets (Note 2.21)	-	-	-	-	153	-	153
Reclassification	6,500	(7,857)	15,771	-	259	(14,673)	-
Depreciation (Note 2.6 & 2.14(c))	-	(1,793)	(22,539)	(3,226)	(17,157)	-	(44,715)
Exchange differences	-	4,432	3,937	31	228	-	8,628
At 30 June 2015	65,311	92,394	572,872	8,126	48,944	64,123	851,770
Cost	65,906	115,939	737,874	68,846	154,865	65,801	1,209,231
Accumulated depreciation	-	(17,045)	(160,860)	(60,720)	(105,921)	-	(344,546)
Accumulated impairment losses	(595)	(6,500)	(4,142)	-	-	(1,678)	(12,915)
Carrying amount at 30 June 2015	65,311	92,394	572,872	8,126	48,944	64,123	851,770

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land	Leasehold land	Buildings	Plant and machinery	Vehicles, equipment and fixtures	Capital work in progress	Total
2016							
<i>Carrying amount</i>							
At 1 July 2015	65,311	92,394	572,872	8,126	48,944	64,123	851,770
Additions	-	-	6,303	2,712	34,276	6,086	49,377
Disposals	(7,400)	-	(790)	(38)	(708)	(204)	(9,140)
Write-offs (Note 2.6)	-	-	-	-	(19)	-	(19)
Impairment (Note 2.6)	-	(8,727)	(9,338)	(51)	(959)	-	(19,075)
Transferred (to)/from:							
- investment properties (Note 2.18)	-	-	-	-	-	(2,702)	(2,702)
- assets held for sale (Note 2.27)	10,158	77	5,947	50	2,022	-	18,254
- intangible assets (Note 2.21)	-	-	-	-	-	(921)	(921)
Reclassification	-	-	16,934	1,308	2,233	(20,475)	-
Depreciation (Note 2.6 & 2.14(c))	-	(1,875)	(24,523)	(3,123)	(17,650)	-	(47,171)
Exchange differences	(35)	3,125	2,468	23	129	-	5,710
At 30 June 2016	68,034	84,994	569,873	9,007	68,268	45,907	846,083
Cost							
Accumulated depreciation	69,698	119,512	771,714	72,107	202,006	47,585	1,282,622
Accumulated impairment losses	-	(19,291)	(188,200)	(63,048)	(132,779)	-	(403,318)
Carrying amount at 30 June 2016	(1,664)	(15,227)	(13,641)	(52)	(959)	(1,678)	(33,221)
	68,034	84,994	569,873	9,007	68,268	45,907	846,083

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

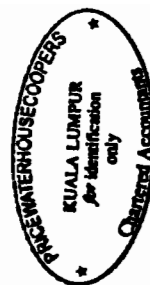
Amounts in RM'000 unless otherwise stated

2.16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2017	Freehold land	Leasehold land	Buildings	Plant and machinery	Vehicles, equipment and fixtures	Capital work in progress	Total
<u>Carrying amount</u>							
At 1 July 2016	68,034	84,994	569,873	9,007	68,268	45,907	846,083
Additions	-	-	1,673	610	12,396	11,619	26,298
Disposals	-	-	(1,702)	-	(11)	(340)	(2,053)
Write-offs (Note 2.6 & 2.14(c))	16	-	(12)	(10)	(798)	(96)	(900)
(Impairment)/write-back (Note 2.6)	(430)	7,401	9,081	-	-	-	16,052
Transferred to:							
- intangible assets (Note 2.21)	-	-	-	-	(9)	-	(9)
- asset held for sale (Note 2.27)	(1,865)	-	(12,827)	(60)	(4,085)	(449)	(19,286)
Reclassification	4,524	10,624	(14,951)	4	4,180	(4,381)	-
Depreciation (Note 2.6 & 2.14(c))	-	(1,822)	(27,168)	(2,392)	(16,687)	-	(48,069)
Exchange differences	972	2,411	2,615	55	229	-	6,282
At 30 June 2017	71,251	103,608	526,582	7,214	63,483	52,260	824,398
Cost	73,488	122,264	744,304	72,216	196,574	53,938	1,262,784
Accumulated depreciation	-	(18,656)	(205,941)	(64,951)	(132,819)	-	(422,367)
Accumulated impairment losses	(2,237)	-	(11,781)	(51)	(272)	(1,678)	(16,019)
Carrying amount at 30 June 2017	71,251	103,608	526,582	7,214	63,483	52,260	824,398

During the financial year ended 30 June 2016, property, plant and equipment of certain subsidiaries with a total carrying amount of RM19,975,000 were fully impaired due to cessation of business and loss making operations. During the financial year ended 30 June 2017, RM16,500,000 of the impairment had been reversed due to tenancy agreement entered into with a third party for a property, which had been previously impaired.

Property, plant and equipment of certain subsidiaries with a total carrying amount of RM77,367,000 (30.6.2016: RM79,979,000; 30.6.2015: RM81,688,000; 1.7.2014: RM83,397,000) were pledged as securities for borrowings as at 30 June 2017.



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.17 PREPAID LEASE RENTALS

The prepaid lease rentals are payments for rights in respect of the following:

	<u>Leasehold building</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
At 1 July	461	53	-
Amortisation (Note 2.6)	(408)	(53)	-
At 30 June	<u>53</u>	<u>-</u>	<u>-</u>

The prepaid lease rentals of the Group are subject to the following maturity period:

	<u>Leasehold building</u>			
	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Non-current:				
- due later than one year	141	-	-	-
Current:				
- due not later than one year	320	53	-	-
	<u>461</u>	<u>53</u>	<u>-</u>	<u>-</u>

2.18 INVESTMENT PROPERTIES

	<u>Freehold</u> <u>land</u>	<u>Leasehold</u> <u>land</u>	<u>Buildings</u>	<u>Total</u>
<u>1.7.2014</u>				
Cost	82,655	63,668	634,677	781,000
Accumulated depreciation	-	(15,458)	(157,869)	(173,327)
Accumulated impairment losses	-	-	(19,500)	(19,500)
Carrying amount at 1 July 2014	<u>82,655</u>	<u>48,210</u>	<u>457,308</u>	<u>588,173</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.18 INVESTMENT PROPERTIES (CONTINUED)

	<u>Freehold land</u>	<u>Leasehold land</u>	<u>Buildings</u>	<u>Total</u>
2015				
<u>Carrying amount</u>				
At 1 July 2014	82,655	48,210	457,308	588,173
Additions	-	-	1,336	1,336
Disposals	(10,244)	-	(73,531)	(83,775)
Write-offs (Note 2.6)	-	-	(7,452)	(7,452)
Transferred to:				
- assets held for sale	-	-	(259)	(259)
- land held for property development (Note 2.19(a))	(8,284)	-	-	(8,284)
Depreciation (Note 2.6)	-	(907)	(13,878)	(14,785)
Impairment (Note 2.6)	-	(3,366)	(1,120)	(4,486)
Reclassification	15,103	-	(15,103)	-
Exchange differences	6,108	3,261	11,970	21,339
At 30 June 2015	<u>85,338</u>	<u>47,198</u>	<u>359,271</u>	<u>491,807</u>
Cost	85,338	68,180	545,748	699,266
Accumulated depreciation	-	(17,616)	(164,559)	(182,175)
Accumulated impairment losses	-	(3,366)	(21,918)	(25,284)
Carrying amount at 30 June 2015	<u>85,338</u>	<u>47,198</u>	<u>359,271</u>	<u>491,807</u>
2016				
<u>Carrying amount</u>				
At 1 July 2015	85,338	47,198	359,271	491,807
Additions	-	-	1,136	1,136
Disposal of subsidiaries (Note 2.46)	(74,948)	(17,427)	(73,166)	(165,541)
Write-offs (Note 2.6)	-	-	(9)	(9)
Transferred from:				
- property, plant and equipment (Note 2.16)	-	-	2,702	2,702
- property development costs (Note 2.19(b))	7,990	-	-	7,990
Depreciation (Note 2.6)	-	(940)	(9,507)	(10,447)
Reclassification	6,068	-	(6,068)	-
Exchange differences	3,280	2,052	(1,216)	4,116
At 30 June 2016	<u>27,728</u>	<u>30,883</u>	<u>273,143</u>	<u>331,754</u>
Cost	27,728	51,475	361,233	440,436
Accumulated depreciation	-	(17,226)	(67,334)	(84,560)
Accumulated impairment losses	-	(3,366)	(20,756)	(24,122)
Carrying amount at 30 June 2016	<u>27,728</u>	<u>30,883</u>	<u>273,143</u>	<u>331,754</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.18 INVESTMENT PROPERTIES (CONTINUED)

	<u>Freehold land</u>	<u>Leasehold land</u>	<u>Buildings</u>	<u>Work in progress</u>	<u>Total</u>
2017					
<u>Carrying amount</u>					
At 1 July 2016	27,728	30,883	273,143	-	331,754
Additions	-	-	26,997	82,607	109,604
Disposals					
- disposal of subsidiary (Note 2.46)	-	(21,917)	(38,039)	-	(59,956)
- others	-	-	(1,465)	-	(1,465)
Write-offs (Note 2.6)	-	-	(11)	-	(11)
Write back of impairment	-	-	1,878	-	1,878
Transferred from:					
- land held for property development (Note 2.19(a))	2,397	-	-	-	2,397
- property development costs (Note 2.19(b))	15,643	-	-	79,340	94,983
- assets held for sale	(8)	-	(302)	-	(310)
Depreciation (Note 2.6)	-	(349)	(6,453)	-	(6,802)
Exchange differences	-	88	2,061	-	2,149
At 30 June 2017	<u>45,760</u>	<u>8,705</u>	<u>257,809</u>	<u>161,947</u>	<u>474,221</u>
Cost	45,760	15,234	311,434	161,947	534,375
Accumulated depreciation	-	(3,163)	(34,294)	-	(37,457)
Accumulated impairment losses	-	(3,366)	(19,331)	-	(22,697)
Carrying amount at 30 June 2017	<u>45,760</u>	<u>8,705</u>	<u>257,809</u>	<u>161,947</u>	<u>474,221</u>

Rental income generated from and direct operating expenses incurred on investment properties are as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Rental income	76,941	82,789	28,617
Direct operating expenses	<u>(16,401)</u>	<u>(20,198)</u>	<u>(16,065)</u>

The investment properties are not occupied by the Group and are used either to earn rentals or for capital appreciation, or both. Included in investment properties is certain freehold land rented to a related company.

The following table presents the Group's investment properties, that are measured at fair value into two different levels as defined below:

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Level 2	2,343,321	1,622,736	694,470	1,168,799
Level 3	-	-	350,774	520,939
	<u>2,343,321</u>	<u>1,622,736</u>	<u>1,045,244</u>	<u>1,689,738</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.18 INVESTMENT PROPERTIES (CONTINUED)

The fair values of the properties of the Group categorised under Level 2 and Level 3 were determined by:

Level 2 – the Directors with reference to either valuation by independent professionally qualified valuers or the open market value of properties in the vicinity. The key input under this approach is the price per square foot from sales of comparable properties.

Level 3 – the valuation by independent professionally qualified valuers based on the expected rental the properties are expected to achieve, the location, size and condition of the properties and taking into consideration the outgoings such as quit rent and assessment, utilities, repair and maintenance including other general expenses.

Investment properties of certain subsidiaries with a total carrying amount of RM153,050,000 (30.6.2016: RM156,490,000; 30.6.2015: RM159,903,000; 1.7.2014: RM248,356,000) were pledged as security for borrowings as at 30 June 2017 (Note 2.32).

2.19 INVENTORIES

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<u>Non-current</u>				
Land held for property development (note (a))	1,195,413	1,273,330	1,247,630	1,227,225
<u>Current</u>				
Cost:				
- completed development units	293,899	317,371	876,504	310,247
- finished goods, raw materials and consumable stores	1,795	1,794	1,973	2,189
Net realisable value:				
- completed development units	4,893	445	-	489,073
	<u>300,587</u>	<u>319,610</u>	<u>878,477</u>	<u>801,509</u>
- Property development costs (note (b))	<u>2,207,787</u>	<u>2,947,377</u>	<u>3,481,593</u>	<u>3,777,929</u>
	<u>2,508,374</u>	<u>3,266,987</u>	<u>4,360,070</u>	<u>4,579,438</u>
Total inventories	<u>3,703,787</u>	<u>4,540,317</u>	<u>5,607,700</u>	<u>5,806,663</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.19 INVENTORIES (CONTINUED)

(a) Land held for property development

	<u>2015</u>	<u>2016</u>	<u>2017</u>
At 1 July:			
Freehold land	450,055	621,936	701,105
Leasehold land	619,418	557,131	452,808
Development costs	<u>125,940</u>	<u>94,263</u>	<u>93,717</u>
	1,195,413	1,273,330	1,247,630
Additions:			
- land	221,596	215,719	2,517
- development costs	6,943	8,396	1,679
Transferred from/(to) investment properties (Note 2.18)	8,284	-	(2,397)
Transferred to property development costs (Note 2.19(b))	(158,906)	(249,815)	(20,891)
Transferred to assets held for sale (Note 2.27)	<u>-</u>	<u>-</u>	<u>(1,313)</u>
At 30 June	<u>1,273,330</u>	<u>1,247,630</u>	<u>1,227,225</u>

Land held for property development is analysed as follows:

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Freehold land	621,936	701,105	700,009
Leasehold land	557,131	452,808	431,638
Development costs	<u>94,263</u>	<u>93,717</u>	<u>95,578</u>
	<u>1,273,330</u>	<u>1,247,630</u>	<u>1,227,225</u>

Land held for property development of a subsidiary with a total carrying amount of RM67,272,000 (30.6.2016: RM67,272,000; 30.6.2015: RM67,272,000; 1.7.2014: RM76,577,000) was pledged as security for borrowings as at 30 June 2017.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.19 INVENTORIES (CONTINUED)

(b) Property development costs

	<u>2015</u>	<u>2016</u>	<u>2017</u>
At 1 July:			
Freehold land, at cost	248,586	173,767	54,357
Leasehold land, at cost	46,492	110,571	151,836
Development costs	<u>5,726,752</u>	<u>6,969,716</u>	<u>6,374,638</u>
	6,021,830	7,254,054	6,580,831
Development costs incurred during the financial year	2,490,969	2,071,107	1,989,517
Provision/(reversal of provision) for statutory development (Note 2.33)	-	253,620	(125,531)
Transferred (to)/from:			
- property, plant and equipment (Note 2.16)	(5,078)	-	-
- investment properties (Note 2.18)	-	(7,990)	(94,983)
- land held for property development (Note 2.19(a))	158,906	249,815	20,891
- completed development units	(75,554)	(652,983)	(264,584)
Completed development units and land sold	(1,332,397)	(2,590,412)	(775,464)
Exchange differences	(4,622)	3,620	14,749
At 30 June	<u>7,254,054</u>	<u>6,580,831</u>	<u>7,345,426</u>
Less: Cost recognised in profit or loss			
At 1 July	(3,814,043)	(4,306,677)	(3,099,238)
Costs recognised during the financial year (Note 2.6)	(1,826,058)	(1,382,181)	(1,241,158)
Completed development units and land sold	1,332,397	2,590,412	775,464
Exchange differences	1,027	(792)	(2,565)
At 30 June	<u>(4,306,677)</u>	<u>(3,099,238)</u>	<u>(3,567,497)</u>
Total property development costs	<u>2,947,377</u>	<u>3,481,593</u>	<u>3,777,929</u>

Property development costs are analysed as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Freehold land, at cost	173,767	54,357	27,565
Leasehold land, at cost	<u>110,571</u>	<u>151,836</u>	<u>164,182</u>
	284,338	206,193	191,747
Development costs	6,969,716	6,121,018	7,025,590
Provision for statutory development (Note 2.33)	-	253,620	128,089
Costs recognised in profit or loss	<u>(4,306,677)</u>	<u>(3,099,238)</u>	<u>(3,567,497)</u>
Total property development costs	<u>2,947,377</u>	<u>3,481,593</u>	<u>3,777,929</u>

Included in the Group's property development costs incurred during the financial year were finance costs capitalised amounting to RM161,209,000 (30.6.2016: RM136,367,000; 30.6.2015: RM54,791,000; 17.2014: RM18,375,000) (Note 2.12).

Property development projects with a total carrying amount of RM218,250,000 (30.6.2016: RM243,890,000; 30.6.2015: RM25,932,000; 17.2014: RM19,788,000) were charged by the Company's subsidiaries as security for borrowings.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.20 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Quoted shares <u>In Malaysia</u>	Unquoted shares <u>In Malaysia</u>	<u>Total</u>
2015			
At 1 July 2014	22,173	35,500	57,673
Net changes in fair value	(5,574)	-	(5,574)
At 30 June 2015	<u>16,599</u>	<u>35,500</u>	<u>52,099</u>
2016			
At 1 July 2015	16,599	35,500	52,099
Net changes in fair value	(3,369)	-	(3,369)
At 30 June 2016	<u>13,230</u>	<u>35,500</u>	<u>48,730</u>
2017			
At 1 July 2016	13,230	35,500	48,730
Net changes in fair value	(2,389)	-	(2,389)
At 30 June 2017	<u>10,841</u>	<u>35,500</u>	<u>46,341</u>

For the unquoted available-for-sale financial assets, as the range of reasonable fair value estimates is very wide and the probabilities of various estimates cannot be reasonably assessed, management has concluded that the financial assets will be measured at cost less impairment.

2.21 INTANGIBLE ASSETS

	2015	2016	2017
<u>Carrying amount</u>			
At 1 July	7,190	6,676	5,878
Additions	2,319	708	1,937
Disposal	(34)	-	-
Transferred (to)/from property, plant and equipment (Note 2.16)	(153)	921	9
Amortisation (Note 2.6)	(2,646)	(2,427)	(2,438)
At 30 June	<u>6,676</u>	<u>5,878</u>	<u>5,386</u>
Cost	19,990	21,619	23,565
Accumulated amortisation	(13,314)	(15,741)	(18,179)
Carrying amount at the end of the financial year	<u>6,676</u>	<u>5,878</u>	<u>5,386</u>

The intangible assets for the Group comprises mainly of computer software.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.22 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Deferred tax assets	509,634	550,344	489,164	452,521
Deferred tax liabilities	<u>(54,370)</u>	<u>(119,291)</u>	<u>(174,752)</u>	<u>(33,880)</u>
	<u>455,264</u>	<u>431,053</u>	<u>314,412</u>	<u>418,641</u>

The amount of unutilised tax losses and other temporary differences, which have no expiry dates and for which no deferred tax asset is recognised in the statements of financial position are as follows:

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Unutilised tax losses and other temporary differences	<u>36,492</u>	<u>24,480</u>	<u>212,942</u>	<u>303,371</u>
Deferred tax assets not recognised	<u>8,758</u>	<u>5,875</u>	<u>51,106</u>	<u>72,809</u>

The unrecognised deferred tax assets are related to the deferred tax that, in the view of the Directors it is not probable that the future taxable profits of the loss-making subsidiaries would be available against which the deferred tax assets can be utilised.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

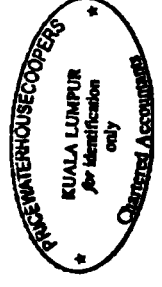
2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.22 DEFERRED TAX (CONTINUED)

The components and movements of the deferred tax assets and liabilities during the financial year are as follows:

	Property, plant and equipment	Property development	Allowance for impairment	Tax losses and unabsorbed capital allowances	Provision	Others	Total
2015							
At 1 July 2014	2,246	321,618	(397)	81,589	43,499	6,709	455,264
(Charged)/credited to profit or loss:							
- origination and reversal of temporary differences (Note 2.13)	(3,001)	(105,138)	765	32,276	5,163	48,702	(21,233)
- effects of changes in tax rate (Note 2.13)	(3)	(206)	89	(1,494)	(90)	967	(737)
Transferred to assets held for sale	-	-	-	(2,156)	-	-	(2,156)
Exchange differences	(73)	-	-	-	-	(12)	(85)
At 30 June 2015	(831)	216,274	457	110,215	48,572	56,366	431,053
2016							
At 1 July 2015	(831)	216,274	457	110,215	48,572	56,366	431,053
(Charged)/credited to profit or loss:							
- origination and reversal of temporary differences (Note 2.13)	(120)	(50,910)	3,445	4,313	(13,142)	(60,502)	(116,916)
- effects of changes in tax rate (Note 2.13)	-	-	-	(7)	-	-	(7)
Transferred to assets held for sale	-	-	-	2,156	-	7,365	9,521
Disposal of subsidiaries (Note 2.27)	(325)	-	-	(8,861)	-	-	(9,186)
Exchange differences	(51)	-	-	-	-	(2)	(53)
At 30 June 2016	(1,327)	165,364	3,902	107,816	35,430	3,227	314,412



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.22 DEFERRED TAX (CONTINUED)

The components and movements of the deferred tax assets and liabilities during the financial year are as follows: (continued)

	Property, plant and equipment	Property development	Allowance for impairment	Tax losses and unabsorbed capital allowances	Provision	Others	Total
2017							
At 1 July 2016	(1,327)	165,364	3,902	107,816	35,430	3,227	314,412
(Charged)/credited to profit or loss:							
- origination and reversal of temporary differences (Note 2.13)	46	(13,509)	(336)	16,097	7,608	(28,825)	(18,919)
Transferred to assets held for sale (Note 2.27)	-	111,684	-	(20,097)	-	31,297	122,884
Disposal of subsidiaries	279	-	-	-	-	-	279
Exchange differences	(32)	-	-	-	-	17	(15)
At 30 June 2017	(1,034)	263,539	3,566	103,816	43,038	5,716	418,641



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.23 TRADE AND OTHER RECEIVABLES

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<u>Non-current</u>				
Amounts due from joint ventures [note (a)]	76,053	54,980	48,380	61,275
Amounts due from related companies [note (c)]	-	-	40,785	-
Prepayments	-	218	16	-
	<u>76,053</u>	<u>55,198</u>	<u>89,181</u>	<u>61,275</u>
<u>Current</u>				
Trade receivables [note (b)]	797,354	887,080	544,405	531,816
Other receivables	81,102	236,430	148,543	89,051
Deposits	47,625	74,460	63,728	62,182
GST recoverable	-	6,418	26,150	11,837
Amounts due from joint ventures [note (a)]	29,720	31,867	41,294	34,127
Amounts due from associates [note (c)]	21,816	21,816	22,584	-
Amounts due from related companies [note (c)]	6,761	9,974	45,780	9,054
Prepayments	14,149	29,307	15,699	12,348
	<u>998,527</u>	<u>1,297,352</u>	<u>908,183</u>	<u>750,415</u>
Accumulated impairment losses [note (e)]:				
- trade receivables	(44,149)	(20,054)	(39,950)	(33,307)
- other receivables	(29,352)	(27,786)	(41,986)	(34,575)
- amounts due from related companies	-	-	(1,555)	-
	<u>(73,501)</u>	<u>(47,840)</u>	<u>(83,491)</u>	<u>(67,882)</u>
	<u>925,026</u>	<u>1,249,512</u>	<u>824,692</u>	<u>682,533</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.23 TRADE AND OTHER RECEIVABLES (CONTINUED)Credit quality of financial assets

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from a large number of customers with financing facilities from reputable end-financiers. Ownership and rights to the properties revert to the Group in the event of default.

Amounts due from tenants are secured with deposits paid by tenants prior to occupancy of premises and rentals paid in advance.

Amounts due from golf members are those with good payment track records with the Group. The management of the Group will continuously monitor closely the trade receivables which are past due with outstanding balances exceeding the security deposits.

Other receivables which are not impaired are monitored closely and the Group is of the view that there is no objective evidence that the receivables are not fully recoverable.

Notes to the trade and other receivables:

a. Amounts due from joint ventures

The amounts due from joint ventures are as follows:

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<u>Non-current</u>				
- receivable between 1 year and 5 years	66,669	54,980	48,380	61,275
- receivable above 5 years	9,384	-	-	-
	<u>76,053</u>	<u>54,980</u>	<u>48,380</u>	<u>61,275</u>
<u>Current</u>				
- receivable within 12 months	29,720	31,867	41,294	34,127
Total	<u>105,773</u>	<u>86,847</u>	<u>89,674</u>	<u>95,402</u>

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.23 TRADE AND OTHER RECEIVABLES (CONTINUED)**b. Trade receivables**

Credit terms of trade receivables range from 21 days to 90 days (30.6.2016: 21 days to 90 days; 30.6.2015: 21 days to 90 days; 1.7.2014: 21 days to 90 days)

c. Amounts due from associates and related companies

The amounts due from associates and related companies are unsecured, repayable on demand and non-interest bearing.

d. Aging analysis of trade receivables:

Ageing analysis of individual receivables categorised into impaired and not impaired are as follows:

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Not impaired:				
- not past due	508,684	725,570	360,088	296,787
- past due by:				
1 to 30 days	72,425	38,789	66,512	80,263
31 to 60 days	58,944	31,107	33,481	32,440
61 to 90 days	22,912	24,636	13,066	24,248
91 to 180 days	42,429	17,374	9,960	49,587
More than 180 days	47,811	29,550	21,348	15,184
Impaired	44,149	20,054	39,950	33,307
Gross receivables	<u>797,354</u>	<u>887,080</u>	<u>544,405</u>	<u>531,816</u>

Trade receivables that are neither past due nor impaired comprises:

- i. receivables in relation to property development business arising from sale of development units to large number of property purchasers with end financing facilities from reputable end financiers and the ownership and rights to the properties revert to the Group in the event of default; and
- ii. receivables from creditworthy debtors with good payment records with the Group.

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.23 TRADE AND OTHER RECEIVABLES (CONTINUED)**d. Aging analysis of trade receivables: (continued).**

As at 30 June 2017, trade receivables of the Group of RM201,722,000 (30.6.2016: RM144,367,000; 30.6.2015: RM141,456,000; 1.7.2014: RM244,521,000) were past due but not impaired. These relate to customers of whom there are no objective evidence that the receivables are not fully recoverable.

The receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties, have defaulted on payments and/or have disputes on the billings. Of the total amount due from these debtors of the Group, a cumulative impairment of RM33,307,000 (30.6.2016: RM39,950,000; 30.6.2015: RM20,054,000; 1.7.2014: RM44,149,000) has been made while the balance is expected to be recovered through the debt recovery process.

The Group's credit risk management objectives, policies and exposure are described in Note 2.4(a).

e. Movement of provision for impairment losses of trade and other receivables are as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
At 1 July	73,501	47,840	83,491
Provision for impairment of trade and other receivables	1,193	37,970	682
Write-back of provision for impairment of trade and other receivables	(13,294)	(2,397)	(14,736)
Sub-total	(12,101)	35,573	(14,054)
Provision/(write-back) for impairment of amount due from a related company	-	1,555	(1,555)
Bad debts written off	(13,560)	(1,477)	-
At 30 June	<u>47,840</u>	<u>83,491</u>	<u>67,882</u>

f. Other receivables and intercompany balances (net of impaired amounts) are recoverable and not past due.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
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Amounts in RM'000 unless otherwise stated

2.24 CONTRACT ASSETS

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<u>Non-current</u>				
Contract assets from customers on construction contracts [note (a)]	260,410	650,939	1,440,291	-
<u>Current</u>				
Contract assets from customers on construction contracts [note (a)]	-	-	28,235	-
Contract assets from property development [note (b)]	141,159	406,899	313,931	167,862
	<u>141,159</u>	<u>406,899</u>	<u>342,166</u>	<u>167,862</u>
	<u>401,569</u>	<u>1,057,838</u>	<u>1,782,457</u>	<u>167,862</u>

a. Construction contracts

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<u>Non-current</u>				
Aggregate costs incurred	125,917	380,679	931,838	975,913
Recognised profits less losses to-date	113,591	228,161	454,500	456,676
	<u>239,508</u>	<u>608,840</u>	<u>1,386,338</u>	<u>1,432,589</u>
Reimbursable expenses [note (a)]	20,902	26,773	-	-
Accretion of discount	-	15,326	53,953	144,366
	<u>260,410</u>	<u>650,939</u>	<u>1,440,291</u>	<u>1,576,955</u>
Transferred to assets held for sale	-	-	-	(1,576,955)
	<u>260,410</u>	<u>650,939</u>	<u>1,440,291</u>	<u>-</u>
<u>Current</u>				
Reimbursable expenses [note (a)]	-	-	28,235	29,779
Transferred to assets held for sale	-	-	-	(29,779)
Total construction contracts	<u>260,410</u>	<u>650,939</u>	<u>1,468,526</u>	<u>-</u>

All contracts revenue are recognised over time.

Included in the Group's construction costs incurred during the financial year were finance costs capitalised amounting to RM20,752,000 (30.6.2016: RM40,379,000; 30.6.2015: RM16,626,000; 1.7.2014: RM4,563,000) (Note 2.14 (d)).

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
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Amounts in RM'000 unless otherwise stated

2.24 **CONTRACT ASSETS (CONTINUED)**

a. Construction contracts (continued)

Contract assets from customers on construction contracts represent the development costs incurred by Sime Darby Property Selatan Sdn Bhd and its subsidiaries to design and construct the Pagoh Education Hub ("the Project"). The Project is undertaken on concession basis under the concept of "Build-Lease-Maintain-Transfer".

Under the Concession Agreements entered on 7 November 2012, the Group agreed to undertake the construction works for Government of Malaysia ("GoM"), Universiti Tun Hussein Onn Malaysia ("UTHM"), International Islamic University Malaysia ("IIUM") and Universiti Teknologi Malaysia ("UTM") over a period of three years, together with the supply of teaching equipment. The construction commenced in May 2014. Upon completion of the construction works on 2 May 2017, the campuses were handed over to GoM, UTHM, IIUM and UTM. Under the Concession Agreements, the Group will maintain the facilities and infrastructures of the campuses for a period of twenty (20) years.

In consideration of the construction works and the maintenance of the facilities, the Group will receive Availability Charges and Asset Management Services Charges over the period of 20 years. Cost of teaching equipment will be received over the first five years of the concession period. The consideration is allocated by reference to the relative fair values of the construction works, asset management services and costs of teaching equipment, taking into account the deferred payment arrangement.

During the financial year ended 30 June 2017, the Group has made the decision to dispose of Sime Darby Property Selatan Sdn Bhd and its subsidiaries with the operations under the concession arrangements and the contract assets had been transferred to assets held for sale.

The non-current amounts due from customers are pledged as security for borrowings.

The details for the reimbursable expenses are as follow:

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Outstanding value	24,517	29,779	29,779	29,779
Discount on inception	(3,615)	(4,146)	(4,146)	(4,146)
Accretion of discount	-	1,140	2,602	4,146
	<u>(3,615)</u>	<u>(3,006)</u>	<u>(1,544)</u>	<u>-</u>
Carrying amount as at the end of the financial year	<u>20,902</u>	<u>26,773</u>	<u>28,235</u>	<u>29,779</u>

Reimbursable expenses are amounts reimbursable from customers upon completion of the construction contracts.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.24 CONTRACT ASSETS (CONTINUED)**b. Contract assets relating to sale of properties**

The Group is entitled to a percentage of payment over the sale price based on the construction milestones stipulated in the sale and purchase agreement. The Group issues progress billings to purchasers when the construction milestones are satisfied.

The aggregate of the costs incurred and the attributable profit or loss recognised on property development is compared against the progress billings up to the end of the financial year. Where the revenue recognised in profit or loss exceeds billings to purchasers, the balance is presented as contract assets. Where billings to purchasers exceed revenue recognised in profit or loss, the balance is presented as contract liabilities.

The Group's contract assets relating to the sale of properties as of each financial year end can be summarised as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Contract assets:</u>			
At 1 July	141,159	406,899	313,931
Property development revenue recognised during the financial year	2,997,785	2,335,284	2,391,658
Progress billings during the financial year	<u>(2,732,045)</u>	<u>(2,428,252)</u>	<u>(2,537,727)</u>
At 30 June	<u>406,899</u>	<u>313,931</u>	<u>167,862</u>

c. Unsatisfied performance obligations arising from sale of properties yet to be recognised as revenue

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting date is approximately RM1,766 million, of which the Group expects to recognise RM1,363 million as revenue in 2018 and the remaining amount of RM403 million is expected to be recognised as revenue from 2019 to 2020.

The Group has applied practical expedient in MFRS 15.c5 whereby the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as at 30 June 2016, 30 June 2015 and 1 July 2014 are not disclosed.

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SIME DARBY PROPERTY BERHAD (15631-P)
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Amounts in RM'000 unless otherwise stated

2.25 CASH HELD UNDER HOUSING DEVELOPMENT ACCOUNTS

The Group's cash held under the Housing Development Accounts represent receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Developers (Control and Licensing) Amendment Act 2002. The utilisation of these balances is restricted before completion of the housing development projects and fulfilling all relevant obligations to the purchasers, such that the cash could only be withdrawn from such accounts for the purpose of completing the particular projects.

The weighted average effective interest rate of bank balances under Housing Development Accounts as at the financial year end was 2.0% per annum (30.6.2016: 2.0% per annum; 30.6.2015: 2.0% per annum; 1.7.2014: 2.0% per annum).

2.26 BANK BALANCES, DEPOSITS AND CASH

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Deposits with licensed banks	148,321	138,335	185,334	316,585
Cash at banks	74,937	111,581	110,460	177,626
Cash in hand	310	227	196	-
	<u>223,568</u>	<u>250,143</u>	<u>295,990</u>	<u>494,211</u>
Effective interest rates per annum as at the end of the financial year:	%	%	%	%
Deposits with licensed banks	<u>2.90</u>	<u>2.80</u>	<u>2.90</u>	<u>1.70</u>

Deposits of the Group has maturity periods ranging from on call basis to 3 months (30.6.2016: on call basis to 3 months; 30.6.2015: on call basis to 3 months; 1.7.2014: on call basis to 3 months). Cash at banks are deposits held at call with banks.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.27 ASSETS HELD FOR SALE

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Assets held for sale:				
- disposal groups [note (a) & (b)]	135,730	133,490	-	1,884,292
- property, plant and equipment	52	-	-	-
- investment properties (Note 2.18)	2,480	220	-	310
- investment in associates (Note 2.10)	-	-	-	338,264
	<u>138,262</u>	<u>133,710</u>	<u>-</u>	<u>2,222,866</u>
Liabilities associated with assets held for sale:				
- disposal group [note (a) & (b)]	84,160	83,409	-	1,397,361
	<u>84,160</u>	<u>83,409</u>	<u>-</u>	<u>1,397,361</u>

- a. As at 30 June 2017, the asset held for sale and liabilities associated with assets held for sale accompanying with the disposal group, are from the following subsidiaries which will be disposed of:

- (i) Sime Darby Property Selatan Sdn Bhd and its subsidiaries;
(ii) Malaysia Land Development Company Berhad and its subsidiaries.

The Directors are of the view that the above subsidiaries are expected to be disposed of in the next twelve months.

Assets and liabilities of disposal group classified as assets held for sale are as follows:

	<u>30.6.2017</u>
Property, plant and equipment (Note 2.16)	19,286
Inventories – Land held for property development (Note 2.19.(a))	1,313
Cash and cash equivalents (Note 2.14(b))	53,894
Contract assets (Note 2.24)	1,606,734
Receivables and other assets	203,065
	<u>1,884,292</u>
Borrowings (Note 2.32(d))	895,400
Deferred tax liabilities (Note 2.27)	122,884
Payables and other liabilities	379,077
	<u>1,397,361</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.27 ASSETS HELD FOR SALE (CONTINUED)

b. As at 30 June 2015 and 1 July 2014, the assets held for sale and liabilities associated with assets held for sale, are from the following subsidiaries which during those financial years, the Directors had decided to dispose of:

- (i) Syarikat Malacca Straits Inn Sdn Bhd ("SMSI")
- (ii) Sime Darby Australia Limited ("SDAL")
- (iii) Sime Darby Hotel Limited ("SDHL")
- (iv) Sime Darby Resort Pty Ltd ("SDRPL")

Assets and liabilities of disposal group classified as assets held for sales are as follows:

	<u>1.7.2014</u>	<u>30.6.2015</u>
Property, plant and equipment	104,969	102,112
Deferred tax asset	7,155	9,310
Cash and cash equivalents	14,704	13,252
Receivables and other assets	8,902	8,816
	<u>135,730</u>	<u>133,490</u>
Borrowings	79,841	74,837
Payables and other liabilities	4,319	8,572
	<u>84,160</u>	<u>83,409</u>

i Disposal of SMSI

As at 30 June 2015, the disposal groups were in respect of the subsidiaries of the Group which were in the midst of being disposed. On 21 June 2016, the Group had disposed of its entire equity interest in Syarikat Malacca Straits Inn Sdn Bhd to Permodalan Nasional Berhad for a net consideration of RM53.7 million. The details of the disposal are as follows:

<u>Assets of disposal group classified as assets held for sale</u>	<u>At date of disposal</u>
Property, plant and equipment	84,707
Trade and other receivables	4,409
Inventories	545
Deferred tax asset	9,186
Cash and bank balances	1,152
	<u>99,999</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
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Amounts in RM'000 unless otherwise stated

2.27 ASSETS HELD FOR SALE (CONTINUED)

b. As at 30 June 2015 and 1 July 2014, the assets held for sale and liabilities associated with the assets held for sale, are from the following subsidiaries which during the financial year, the Directors have decided to dispose of: (continued)

i Disposal of SMSI (continued)

	<u>At date of disposal</u>
<u>Liabilities of disposal group classified as assets held for sale</u>	
Term loan	(70,250)
Trade and other payables	(3,817)
	<u>(74,067)</u>
Net assets	25,932
Less: Non-controlling interests	(11,669)
Net assets disposed	<u>14,263</u>
Gain on disposal of a subsidiary	<u>39,393</u>
Proceeds from disposal, net of transaction costs	53,656
Less: Cash and cash equivalents in a subsidiary disposed	(1,152)
Net cash inflows from disposal of a subsidiary	<u>52,504</u>

ii. Classification of unsold subsidiaries

As of 30 June 2016, the Group had reclassified three unsold subsidiaries, namely Sime Darby Australia Limited, Sime Darby Hotel Limited and Sime Darby Resort Pty Ltd from assets held for sale to their respective categories of assets and liabilities as the share sale agreements with the purchaser were terminated due to the purchaser's inability to complete the transactions and the Directors were of the view that the three subsidiaries will not be disposed within the next twelve months.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.28 SHARE CAPITAL

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Issued and fully paid up:			
<u>Ordinary shares</u>			
At 1 July/30 June	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>Redeemable preference shares</u>			
At 1 July	1,696	4,741	10,409
Issuance of shares	3,045	5,668	78,777
Transition to no-par value regime on 31 January 2017 under the Companies Act 2016 (Note (a), 2.29)	-	-	<u>1,316,310</u>
At 30 June	<u>4,741</u>	<u>10,409</u>	<u>1,405,496</u>
	<u>1,004,741</u>	<u>1,010,409</u>	<u>2,405,496</u>

- a. The Companies Act 2016 ("2016 Act") which came into effect from 31 January 2017 has repealed the Companies Act 1965. The 2016 Act has abolished the concept of par or nominal value of shares and hence, the share premium, capital redemption reserve and authorised capital are abolished. In accordance with section 618(2) of the 2016 Act, any amount standing to the credit of the Company's share premium account and capital redemption reserve become part of the Company's share capital upon commencement of the Act. Notwithstanding this provision, the Company may within 24 months from the date of the 2016 Act came into effect, use the amount standing to the credit of its share premium accounts of RM1,316,310,336 for purposes as set out in Section 618(3) of the Act.
- b. As at 30 June 2015, the Company had increased its issued and paid-up share capital from RM1,001,696,000 to RM1,004,741,000, which consequently giving rise to share premium of RM301,404,000 (Note 2.29).
- c. As at 30 June 2016, the Company had increased its issued and paid-up share capital from RM1,004,741,000 to RM1,010,409,000, which consequently giving rise to share premium of RM561,170,000 (Note 2.29).
- d. As at 30 June 2017, the Company had increased its issued and paid-up share capital from RM1,010,409,000 to RM1,089,186,000, respectively, consequently giving rise to share premium of RM285,817,000 (Note 2.29).

The redeemable preference shares of the Group are of the Company and carry the rights as disclosed below:

- a. The holders of the redeemable preference shares ("RPS") shall be entitled to receive notices of General Meetings, Reports and Balance Sheets and to attend General Meetings but shall only have the right to vote (either in person or by proxy who need not to be a member of the Company) at any meeting convened for the purpose of reducing the capital, winding-up of the Company or on any question directly affecting their rights or privileges;
- b. The holders of RPS shall be entitled to a dividend at a percentage to be fixed by the Board of Directors at their sole discretion, such dividend shall be in preference to other shareholders;

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SIME DARBY PROPERTY BERHAD (15631-P)
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Amounts in RM'000 unless otherwise stated

2.28 SHARE CAPITAL (CONTINUED)

The redeemable preference shares of the Group are of the Company and carry the rights as disclosed below: (continued)

- c. Upon winding-up of the Company, the RPS holders shall be entitled to repayment of the capital paid up or credited as paid-up together with any premium payable on redemption in priority to the ordinary shares but shall not confer the right to any further participation in profit or assets;
- d. The capital paid up on RPS shall not be liable to cancellation or reduction in respect of loss or depreciation;
- e. The Company, may at any time, by giving not less than 21 days' notice in writing ("Notice of Redemption") to the holders of the RPS, redeem the RPS which have been issued and are fully paid up;
- f. Any Notice of Redemption shall specify the particular shares to be redeemed, the date fixed for redemption and the time and place at which the certificates for such shares are to be presented for redemption and upon such date, each of the holders of the RPS concerned, shall be bound to deliver to the Company at such place the certificates for the specified RPS in order that the same may be cancelled. Upon such delivery, the Company shall be bound to redeem the RPS specified in the Notice of Redemption by paying the Redemption Amount to the holders thereof. If applicable, the Company shall issue a new certificate for such portion of the RPS which is not redeemed; and
- g. All the RPS redeemed as aforesaid shall be cancelled and the Company shall not be entitled to keep the same alive for re-issue nor to re-issue the same.

The Company, may from time to time, create and issue further RPS ranking in all aspects pari passu with the existing RPS.

2.29 SHARE PREMIUM

	<u>2015</u>	<u>2016</u>	<u>2017</u>
At 1 July	167,919	469,323	1,030,493
Arising from:			
- issuance of redeemable preference shares (Note 2.28)	301,404	561,170	285,817
Transition to no-par value regime on 31 January 2017 under the Companies Act 2016* (Note 2.28)	-	-	<u>(1,316,310)</u>
At 30 June	<u>469,323</u>	<u>1,030,493</u>	<u>-</u>

- * Prior to 31 January 2017, the application of the share premium account was governed by Sections 60 and 61 of the Companies Act 1965. In accordance with the transitional provisions set out in Section 618(2) of the new Companies Act 2016 (the "Act"), on 31 January 2017 any amount standing to the credit of the Company's share premium account has become part of the Company's share capital. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM1,316,310,000 for purposes as set out in Section 618(3) of the Act.



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2.30 RESERVES

	<u>Exchange reserve</u>	<u>Available- for-sale reserve</u>	<u>Capital contribution reserve</u>	<u>Total</u>
2015				
At 1 July 2014	68,474	37,867	-	106,341
Currency translation differences:				
- subsidiaries	71,005	-	-	71,005
Available-for-sale financial assets:				
- net changes in fair value	-	(9,229)	-	(9,229)
	71,005	(9,229)	-	61,776
Reclassification to retained earnings	382	-	-	382
Transactions with owner:				
- employee share scheme	-	-	208	208
- recharge from immediate holding company	-	-	(208)	(208)
At 30 June 2015	<u>139,861</u>	<u>28,638</u>	<u>-</u>	<u>168,499</u>
2016				
At 1 July 2015	139,861	28,638	-	168,499
Currency translation differences:				
- subsidiaries	(121,263)	-	-	(121,263)
Available-for-sale financial assets:				
- net changes in fair value	-	(2,814)	-	(2,814)
	(121,263)	(2,814)	-	(124,077)
Transactions with owner:				
- employee share scheme	-	-	(4,653)	(4,653)
- reversal of recharge from immediate holding company	-	-	4,653	4,653
At 30 June 2016	<u>18,598</u>	<u>25,824</u>	<u>-</u>	<u>44,422</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.30 RESERVES (CONTINUED)

	<u>Exchange reserve</u>	<u>Available- for-sale reserve</u>	<u>Total</u>
<u>2017</u>			
At 1 July 2016	18,599	25,823	44,422
Currency translation differences:			
- subsidiaries	56,368	-	56,368
Available-for-sale financial assets:			
- net changes in fair value	-	(5,671)	(5,671)
	56,368	(5,671)	50,697
Reclassification to retained earnings	(428)	-	(428)
At 30 June 2017	<u>74,539</u>	<u>20,152</u>	<u>94,691</u>

2.31 NON-CONTROLLING INTERESTS

In the opinion of the Directors, the subsidiaries of the Group that have non-controlling interests which are material to the Group as at 30 June 2017 are as follows:

<u>Name of subsidiaries</u>	<u>Proportion of equity held by owners of non- controlling interests</u>	<u>Country of incorporation</u>
	%	
Sime Darby Brunsfield Holding Sdn Bhd ("SDBH")	40	Malaysia
Sime Darby Property Selatan Sdn Bhd ("SDPS")	40	Malaysia

The other non-controlling interests are not significant to the Group.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
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2.31 NON-CONTROLLING INTERESTS (CONTINUED)

The profit, comprehensive income and net assets attributable to owners of non-controlling interests are as follows:

	<u>Material non- controlling interest</u>	<u>Others</u>	<u>Total</u>
1 July 2014			
Net assets	<u>21,796</u>	<u>17,723</u>	<u>39,519</u>
2015			
Profit for the financial year	53,303	15,088	68,391
Other comprehensive (loss)/income	<u>(1,485)</u>	<u>571</u>	<u>(914)</u>
Total comprehensive income	<u>51,818</u>	<u>15,659</u>	<u>67,477</u>
Net assets	<u>73,748</u>	<u>31,993</u>	<u>105,741</u>
2016			
Profit/(loss) for the financial year	83,622	(2,089)	81,533
Other comprehensive income/(loss)	<u>1,065</u>	<u>(3,052)</u>	<u>(1,987)</u>
Total comprehensive income/(loss)	<u>84,687</u>	<u>(5,141)</u>	<u>79,546</u>
Net assets	<u>159,045</u>	<u>15,465</u>	<u>174,510</u>
2017			
Profit for the financial year	16,231	68,841	85,072
Other comprehensive income	<u>4,867</u>	<u>275</u>	<u>5,142</u>
Total comprehensive income	<u>21,098</u>	<u>69,116</u>	<u>90,214</u>
Net assets	<u>168,061</u>	<u>96,663</u>	<u>264,724</u>

The profit for the current financial year under "Others" non-controlling interest mainly arose from significant revenue from land sales by The Glengowrie Rubber Company Sdn Berhad, a 78.7% subsidiary of the Group, which resulted in net profit of RM66.3 million attributable to the non-controlling interest.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.31 NON-CONTROLLING INTERESTS (CONTINUED)Summarised financial information

The summarised statements of comprehensive income and dividends paid by each subsidiary that has non-controlling interests that are material to the Group are as below:

	<u>SDBH</u>	<u>SDPS</u>	<u>Total</u>
2015			
Revenue	355,427	370,331	725,758
Profit for the financial year	34,995	98,263	133,258
Other comprehensive loss	(3,713)	-	(3,713)
Total comprehensive income	<u>31,282</u>	<u>98,263</u>	<u>129,545</u>
Attributable to owners of non-controlling interests:			
- profit for the financial year	13,998	39,305	53,303
- other comprehensive loss	(1,485)	-	(1,485)
- total comprehensive income	<u>12,513</u>	<u>39,305</u>	<u>51,818</u>
2016			
Revenue	242,727	780,352	1,023,079
Profit for the financial year	7,204	201,850	209,054
Other comprehensive income	2,663	-	2,663
Total comprehensive income	<u>9,867</u>	<u>201,850</u>	<u>211,717</u>
Attributable to owners of non-controlling interests:			
- profit for the financial year	2,882	80,740	83,622
- other comprehensive income	1,065	-	1,065
- total comprehensive income	<u>3,947</u>	<u>80,740</u>	<u>84,687</u>
2017			
Revenue	482,562	51,395	533,957
Profit for the financial year	19,143	21,435	40,578
Other comprehensive income	12,168	-	12,168
Total comprehensive income	<u>31,311</u>	<u>21,435</u>	<u>52,746</u>
Attributable to owners of non-controlling interests			
- profit for the financial year	7,657	8,574	16,231
- other comprehensive income	4,867	-	4,867
- total comprehensive income	<u>12,524</u>	<u>8,574</u>	<u>21,098</u>

No dividend has been declared during each of the financial year.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.31 NON-CONTROLLING INTERESTS (CONTINUED)Summarised financial information (continued)

The summarised statements of financial position of each subsidiary that has non-controlling interests that are material to the Group are as below:

	<u>SDBH</u>	<u>SDPS</u>	<u>Total</u>
1 July 2014			
Non-current assets	420,750	258,180	678,930
Current assets	549,233	101,017	650,250
Non-current liabilities	(873,474)	(206,376)	(1,079,850)
Current liabilities	(170,417)	(48,653)	(219,070)
Net (liabilities)/assets	<u>(73,908)</u>	<u>104,168</u>	<u>30,260</u>
Non-controlling interests' share of net (liabilities)/assets	<u>(19,871)</u>	<u>41,667</u>	<u>21,796</u>
2015			
Non-current assets	312,630	664,378	977,008
Current assets	587,439	151,200	738,639
Non-current liabilities	(787,177)	(516,767)	(1,303,944)
Current liabilities	(155,518)	(96,379)	(251,897)
Net (liabilities)/assets	<u>(42,626)</u>	<u>202,432</u>	<u>159,806</u>
Non-controlling interests' share of net (liabilities)/assets	<u>(7,225)</u>	<u>80,973</u>	<u>73,748</u>
2016			
Non-current assets	311,944	1,503,094	1,815,038
Current assets	822,803	221,005	1,043,808
Non-current liabilities	(812,813)	(972,883)	(1,785,696)
Current liabilities	(354,694)	(346,934)	(701,628)
Net (liabilities)/assets	<u>(32,760)</u>	<u>404,282</u>	<u>371,522</u>
Non-controlling interests' share of net (liabilities)/assets	<u>(2,668)</u>	<u>161,713</u>	<u>159,045</u>
2017			
Non-current assets	309,668	1,420,995	1,730,663
Current assets	812,126	329,340	1,141,466
Non-current liabilities	(939,376)	(1,069,417)	(2,008,793)
Current liabilities	(183,866)	(249,092)	(432,958)
Net (liabilities)/assets	<u>(1,448)</u>	<u>431,826</u>	<u>430,378</u>
Non-controlling interests' share of net (liabilities)/assets	<u>(6,831)</u>	<u>174,892</u>	<u>168,061</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.31 **NON-CONTROLLING INTERESTS (CONTINUED)****Summarised financial information (continued)**

The summarised statements of cash flows of each subsidiary that has non-controlling interests that are material to the Group are as below:

	<u>SDBH</u>	<u>SDPS</u>	<u>Total</u>
2015			
Cash used in operations	(10,142)	(226,017)	(236,159)
Tax paid	(17,097)	(8,212)	(25,309)
Net cash used in operating activities	(27,239)	(234,229)	(261,468)
Net cash generated from investing activities	113,897	2,283	116,180
Net cash (used in)/generated from financing activities	(119,546)	269,409	149,863
Net (decrease)/increase in cash and cash equivalents	(32,888)	37,463	4,575
Cash and cash equivalents at the beginning of the financial year	70,128	85,151	155,279
Exchange differences	(4)	-	(4)
Cash and cash equivalents at the end of the financial year	<u>37,236</u>	<u>122,614</u>	<u>159,850</u>
2016			
Cash generated from/(used) in operations	22,997	(300,866)	(277,869)
Tax paid	(11,044)	(3,687)	(14,731)
Net cash generated from/(used in) operating activities	11,953	(304,553)	(292,600)
Net cash (used in)/generated from investing activities	(3,027)	3,650	623
Net cash generated from financing activities	7,832	352,850	360,682
Net increase in cash and cash equivalents	16,758	51,947	68,705
Cash and cash equivalents at the beginning of the financial year	37,236	122,614	159,850
Exchange differences	8	-	8
Cash and cash equivalents at the end of the financial year	<u>54,002</u>	<u>174,561</u>	<u>228,563</u>

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.31 NON-CONTROLLING INTERESTS (CONTINUED)**Summarised financial information (continued)**

The summarised statements of cash flows of each subsidiary that has non-controlling interests that are material to the Group are as below: (continued)

	<u>SDBH</u>	<u>SDPS</u>	<u>Total</u>
2017			
Cash generated from/(used) in operations	1,942	(127,131)	(125,189)
Tax paid	(3,427)	10	(3,417)
Net cash used in operating activities	(1,485)	(127,121)	(128,606)
Net cash from investing activities	672	2,535	3,207
Net cash from financing activities	86,667	3,919	90,586
Net increase/(decrease) in cash and cash equivalents	85,854	(120,667)	(34,813)
Cash and cash equivalents at the beginning of the financial year	54,002	174,561	228,563
Exchange differences	(124)	-	(124)
Cash and cash equivalents at the end of the financial year	139,732	53,894	193,626

The information above represents amounts before intercompany eliminations and other group consolidation adjustments.

14. ACCOUNTANTS' REPORT (Cont'd)

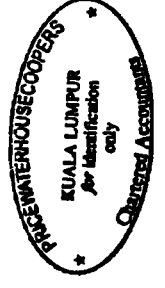
SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.32 BORROWINGS

	Note	1.7.2014	30.6.2015	30.6.2016	30.6.2017
<u>Secured</u>					
Term loans	(a)	611,661	517,404	594,166	541,756
Syndicated Islamic term financing facilities	(d)	186,808	470,563	869,460	-
		<u>798,469</u>	<u>987,967</u>	<u>1,463,626</u>	<u>541,756</u>
<u>Unsecured</u>					
Revolving credits	(b)	350,000	690,000	616,000	483,000
Amounts due to non-controlling interests	(c)	52,713	56,542	61,066	144,125
		<u>402,713</u>	<u>746,542</u>	<u>677,066</u>	<u>627,125</u>
Total borrowings		<u>1,201,182</u>	<u>1,734,509</u>	<u>2,140,692</u>	<u>1,168,881</u>
<u>Non-current</u>					
Term loans	(a)	590,494	495,404	562,166	472,602
Revolving credits	(b)	350,000	607,600	483,000	322,000
Amounts due to non-controlling interests	(c)	-	56,542	61,066	144,125
Syndicated Islamic term financing facilities	(d)	186,808	470,563	847,075	-
		<u>1,127,302</u>	<u>1,630,109</u>	<u>1,953,307</u>	<u>938,727</u>
<u>Current</u>					
Term loans	(a)	21,167	22,000	32,000	69,154
Revolving credits	(b)	-	82,400	133,000	161,000
Amount due to non-controlling interests	(c)	52,713	-	-	-
Syndicated Islamic term financing facilities	(d)	-	-	22,385	-
		<u>73,880</u>	<u>104,400</u>	<u>187,385</u>	<u>230,154</u>
Total borrowings		<u>1,201,182</u>	<u>1,734,509</u>	<u>2,140,692</u>	<u>1,168,881</u>



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.32 BORROWINGS (CONTINUED)

Weighted average effective interest rates/profit rates at reporting date:

Term loans	1.7.2014	30.6.2015	30.6.2016	30.6.2017
Syndicated Islamic term financing facilities	4.70	4.70	4.53	4.17
Revolving credits	7.00	7.00	7.00	7.00
Amounts due to non-controlling interests	3.80	3.80	4.18	3.99
	3.80 - 4.50	3.80 - 4.50	4.50 - 4.95	4.50 - 4.95
	% per annum	% per annum	% per annum	% per annum

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.32 BORROWINGS (CONTINUED)

a. Term loans - Secured

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Non-current	590,494	495,404	562,166	472,602
Current	<u>21,167</u>	<u>22,000</u>	<u>32,000</u>	<u>69,154</u>
Total	<u>611,661</u>	<u>517,404</u>	<u>594,166</u>	<u>541,756</u>

The maturity periods of term loans are as follows:

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<1 year	21,167	22,000	32,000	69,154
Between 1 and 2 years	21,167	32,000	32,000	82,000
Between 2 and 5 years	176,667	262,487	287,186	210,354
>5 years	<u>392,660</u>	<u>200,917</u>	<u>242,980</u>	<u>180,248</u>
Total	<u>611,661</u>	<u>517,404</u>	<u>594,166</u>	<u>541,756</u>

The term loans of the Group are secured by way of charges over certain property, plant and equipment, investment properties, land held for property development and property development costs.

b. Revolving credits – Unsecured

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Non-current	350,000	607,600	483,000	322,000
Current	-	<u>82,400</u>	<u>133,000</u>	<u>161,000</u>
Total	<u>350,000</u>	<u>690,000</u>	<u>616,000</u>	<u>483,000</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.32 **BORROWINGS** (CONTINUED)

b. Revolving credits – Unsecured (continued)

The maturity periods of unsecured revolving credits are as follows:

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<1 year	-	82,400	133,000	161,000
Between 1 and 2 years	56,000	131,000	161,000	224,000
Between 2 and 5 years	245,000	476,600	322,000	98,000
>5 years	49,000	-	-	-
Total	<u>350,000</u>	<u>690,000</u>	<u>616,000</u>	<u>483,000</u>

c. Amounts due to non-controlling interests

Amounts due to non-controlling interests relates to shareholders' advances received by subsidiaries, of which the advances are interest bearing at rates ranging from 4.78% to 5.07% per annum (30.6.2016: 4.50% to 4.95% per annum; 30.6.2015: 3.80% to 4.50% per annum; 1.7.2014: 3.80% to 4.50% per annum), unsecured and repayable on demand. Any repayment is at the discretion of the shareholders within 12 months' notice or other terms of repayment as agreed by both parties.

d. Syndicated Islamic term financing facilities - Secured

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Non-current	186,808	470,563	847,075	850,630
Current	-	-	22,385	44,770
Subtotal	<u>186,808</u>	<u>470,563</u>	<u>869,460</u>	<u>895,400</u>
Transferred to liabilities associated with assets held for sale (Note 2.27(a))	-	-	-	(895,400)
Total	<u>186,808</u>	<u>470,563</u>	<u>869,460</u>	<u>-</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.32 **BORROWINGS** (CONTINUED)

d. Syndicated Islamic term financing facilities - Secured (continued)

The maturity periods of Syndicated Islamic term financing facilities are as follows:

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<1 year	-	-	22,385	44,770
Between 1 and 2 years	-	22,385	49,247	53,724
Between 2 and 5 years	129,833	179,080	210,419	223,850
>5 years	<u>56,975</u>	<u>269,098</u>	<u>587,409</u>	<u>573,056</u>
Total	<u>186,808</u>	<u>470,563</u>	<u>869,460</u>	<u>895,400</u>

The Syndicated Islamic term financing facilities consist of four facilities with facility limit of RM895.40 million. The facilities are repayable over 24 semi-annual installments commencing no later than 36 months from their respective first drawdown dates.

The Syndicated Islamic term financing facilities are secured by way of:

- i. A first ranking debenture incorporating fixed and floating charges over all present and future assets of four subsidiaries in which the Group has 60% equity interest. The carrying value of these assets including cash and bank balances as at 30.6.2017: RM1,772,000 (30.6.2016 is RM1,626,000,000; 30.6.2015: RM793,676,000; 1.7.2014: RM Nil);
- ii. Legal assignment over all of the four subsidiaries' rights, titles, interest and benefits of the pre-completion and post-completion project as and when executed;
- iii. Second legal charge over the shares of the four subsidiaries;
- iv. Legal assignment over all of the four subsidiaries' rights, titles, interests and benefits under the performance bonds/guarantees for the project; and
- v. Deed of subordinations to subordinate all shareholders' present and future financing/advances given to the four subsidiaries to the Syndicated Islamic term financing facilities provided that the four subsidiaries may repay the shareholders' advances if the distribution payment conditions are met before and after such payment or repayment.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.33 PROVISIONS

	At 1 July 2014	(Reversal)/ additions	Utilised	Exchange differences	At 30 June 2015
2015					
Current					
Warranty for house buyers	5,000	-	-	-	5,000
Environmental liabilities and cost to complete	262	-	-	23	285
Foreseeable losses on low cost units	403	(225)	(88)	-	90
Defects liability	11,194	-	(3,842)	-	7,352
Car park land acquisition and construction	2,093	(703)	(438)	-	952
Provision for insurance claim	-	494	-	49	543
Dilapidation cost	-	414	-	40	454
Security enhancement cost	-	5,000	-	-	5,000
	<u>18,952</u>	<u>4,980</u>	<u>(4,368)</u>	<u>112</u>	<u>19,676</u>
	At 1 July 2015	Additions/ (reversal)	Utilised	Exchange differences	At 30 June 2016
2016					
Non-current					
Provision for statutory development	-	253,620	-	-	253,620
Current					
Warranty for house buyers	5,000	(5,000)	-	-	-
Relocation cost	-	7,893	-	-	7,893
Environmental liabilities and cost to complete	285	-	-	39	324
Foreseeable losses on low cost units	90	-	(90)	-	-
Defects liability	7,352	-	(3,845)	-	3,507
Car park land acquisition and construction	952	-	-	-	952
Provision for insurance claim	543	-	-	(51)	492
Dilapidation cost	454	-	-	10	464
Security enhancement cost	5,000	-	(1,480)	-	3,520
	<u>19,676</u>	<u>2,893</u>	<u>(5,415)</u>	<u>(2)</u>	<u>17,152</u>
	<u>19,676</u>	<u>256,513</u>	<u>(5,415)</u>	<u>(2)</u>	<u>270,772</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.33 PROVISIONS (CONTINUED)

	At 1 July 2016	(Reversal) /additions	Utilised	Exchange differences	At 30 June 2017
<u>2017</u>					
<u>Non-current</u>					
Provision for statutory development	253,620	(125,531)	-	-	128,089
Rental guarantee	-	32,176	-	658	32,834
	253,620	(93,355)	-	658	160,923
<u>Current</u>					
Relocation cost	7,893	530	-	-	8,423
Environmental liabilities and cost to complete	324	-	(213)	-	111
Defects liability	3,507	-	(1,043)	-	2,464
Car park land acquisition and construction	952	-	-	-	952
Provision for insurance claim	492	-	-	15	507
Dilapidation cost	464	-	(222)	14	256
Security enhancement cost	3,520	558	(808)	-	3,270
	17,152	1,088	(2,286)	29	15,983
	270,772	(92,267)	(2,286)	687	176,906

a. Provision for statutory development

The provision is in relation to the present obligation to provide affordable housing where the unavoidable costs of meeting the obligation exceed the economic benefits expected to be recovered from the purchasers of the affordable housing.

b. Relocation cost

The provision for relocation cost is made following a contractual obligation to remove encumbrances on land which have been sold.

c. Environmental liabilities and costs to complete

The Group has made a provision for certain environmental liabilities concerning potential land contamination which includes the setting up of a voluntary groundwater monitoring scheme as agreed with the Environment Agency.

d. Defects liability

The provision is in relation to the obligation to rectify defects for properties that have been handed over and are still within the defect liability period and provision of compensation due to defect units.

e. Car park land acquisition and construction

The provision is in relation to the cost of acquisition of land and the construction costs for a car park building by a subsidiary company.

f. Dilapidation cost

The provision is in relation to the dilapidation cost for a vacant suite at an investment property.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.33 PROVISIONS (CONTINUED)**g. Security enhancement cost**

The provision is in relation to the cost to enhance the security system for a township which has been handed over.

h. Rental guarantee

The provision is in relation to an undertaking arrangement entered into with Aster Investment Holding Pte Ltd to procure tenants within the Sime Darby Group (including subsidiaries of Sime Darby Berhad) to lease not less than 70% of the gross floor area of Sime Darby Business Centre, which is owned by Sime Darby Property (Alexandra) Private Limited, a subsidiary which has been disposed during the financial year, for a period of 10 years commencing from 1 January 2019.

2.34 CONTRACT LIABILITIES

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Advance annual license fees - golf club memberships	264,300	265,781	266,651	265,260
Others	<u>3,876</u>	<u>2,933</u>	<u>2,429</u>	<u>6,981</u>
	<u>268,176</u>	<u>268,714</u>	<u>269,080</u>	<u>272,241</u>
<u>Non-current</u>				
Due later than 1 year	262,577	264,971	265,646	260,746
<u>Current</u>				
Due not later than 1 year	<u>5,599</u>	<u>3,743</u>	<u>3,434</u>	<u>11,495</u>
	<u>268,176</u>	<u>268,714</u>	<u>269,080</u>	<u>272,241</u>

The revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period is RM5.85 million (30.6.2016: RM5.34 million; 30.6.2015: RM6.15 million).

2.35 CONTRIBUTION FROM IMMEDIATE HOLDING COMPANY AND LOANS DUE TO RELATED COMPANIES

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Contribution from immediate holding company	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Loans due to related companies	<u>2,551,493</u>	<u>2,721,834</u>	<u>2,335,984</u>	<u>2,229,691</u>

The contribution from the immediate holding company has no fixed terms of repayment and any repayment is at the discretion of the Group upon notification of the Group to the immediate holding company.

The loans due to related companies have no fixed terms of repayment, except for an amount of RM159,435,000 (30.6.2016: RM162,423,000; 30.6.2015: RM285,188,000; 1.7.2014: RM306,170,000) which is non-interest bearing, the remaining are bearing interest at rates ranging from 3.89% to 4.86% per annum (30.6.2016: 4.09% to 5.23% per annum; 30.6.2015: 3.00% to 5.06% per annum; 1.7.2014: 3.00% to 4.66% per annum). Any repayment is at the discretion of the related companies with 12-month notice or other terms of repayment as agreed by both parties.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.36 TRADE AND OTHER PAYABLES

	<u>1.7.2014</u>	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<u>Non-current</u>				
Other payables	769	933	225	136
Finance lease obligations [note (d)]	-	334	256	-
	<u>769</u>	<u>1,267</u>	<u>481</u>	<u>136</u>
<u>Current</u>				
Trade payables [note (a)]	515,917	616,058	798,411	597,850
Other payables	393,131	218,231	420,651	398,973
Accruals	432,306	542,804	421,174	495,410
GST payable	3,206	3,997	14,249	18,594
Finance lease obligations [note (d)]	-	74	78	-
Interest payable	-	2,732	195	264
Amounts due to related companies [note (b)]	33,886	385,871	125,214	169,363
Amount due to immediate holding company [note (c)]	-	200,104	450,178	367,151
	<u>1,378,446</u>	<u>1,969,871</u>	<u>2,230,150</u>	<u>2,047,605</u>
	<u>1,379,215</u>	<u>1,971,138</u>	<u>2,230,631</u>	<u>2,047,741</u>

Notes to the trade and other payables:

a. Trade payables

Credit terms of trade payables range from 30 days to 60 days (30.6.2016: 30 days to 60 days; 30.6.2015: 30 days to 60 days; 1.7.2014: 30 days to 60 days).

b. Amounts due to related companies

The amounts due to related companies are unsecured, interest free and repayable on demand.

c. Amount due to immediate holding company

The amount due to immediate holding company is unsecured, interest free and repayable on demand.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.36 TRADE AND OTHER PAYABLES (CONTINUED)

d. Finance lease obligations

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Gross finance lease liabilities – minimum lease payments:			
- due not later than 1 year	93	93	93
- due later than 1 year and not later than 2 years	93	93	93
- due later than 2 years and not later than 5 years	<u>274</u>	<u>181</u>	<u>88</u>
	460	367	274
Future finance charges	(52)	(33)	(19)
Transferred to liabilities associated with assets with held for sale	<u>-</u>	<u>-</u>	<u>(255)</u>
	<u>408</u>	<u>334</u>	<u>-</u>
Present value of finance lease liabilities	<u>408</u>	<u>334</u>	<u>-</u>

The present value of finance lease liabilities is analysed as follows:

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
<u>Non-current</u>			
Due later than 1 year and not later than 2 years	78	83	87
Due later than 2 years and not later than 5 years	<u>256</u>	<u>173</u>	<u>85</u>
	334	256	172
<u>Current</u>			
Due not later than 1 year	<u>74</u>	<u>78</u>	<u>83</u>
	408	334	255
Transfer to liabilities associated with assets held for sale	<u>-</u>	<u>-</u>	<u>(255)</u>
	<u>408</u>	<u>334</u>	<u>-</u>
Present value of finance lease liabilities	<u>408</u>	<u>334</u>	<u>-</u>

The finance lease obligations are subject to an effective interest rates of 4.90% (30.6.2016: 4.90%; 30.6.2015: 4.90% and 1.7.2014: RM Nil) per annum and are secured on motor vehicles with a total carrying amount of RM268,000 (30.6.2016: RM360,000; 30.6.2015: RM426,000; 1.7.2014: RM Nil).

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.37 CONTINGENT LIABILITIES AND COMMITMENTS

a. Contingent liabilities

- i. A civil suit has been commenced by 72 purchasers of the properties developed by Sime Darby Ara Damansara Development Sdn Bhd ("SDAD") within the property development project known as the Ara Hill ("Plaintiffs") against SDAD, claiming, among other things, general damages and specific damages of RM39,834,000 and specific performance arising from SDAD's alleged breaches of the terms of the sale and purchase agreements and the provisions of various statutes including, the Uniform Building By-Laws 1984 and the Street, Drainage and Building Act 1974. The Plaintiffs claimed that the alleged breaches by SDAD of the sale and purchase agreements and the provisions of the abovementioned statutes have, amongst others, caused the delay in delivery of strata titles and resulted in the construction of sub-standard common facilities and various infrastructures, which caused the Plaintiffs to suffer loss and damage, including indirect losses (which have not been proven by the Plaintiffs).

The dispute was referred to mediation. However the parties did not reach a global settlement. The hearing dates in November and December 2017 have been vacated by the Court and the trial dates are fixed on 10-11, 16-19 April 2018 and 7-10 May 2018. The matter has also been fixed for case management on 4 December 2017.

The Directors are of the view that, based on legal advice, no extraordinary or unusual legal risks are foreseen for the above cases.

b. Commitments are as follows:

Capital commitments

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Authorised capital expenditure not provided for in the financial statements:			
Contracted:			
- property, plant and equipment	20,507	-	25,294
- land held for property development	5,560	5,560	718,560
- investment properties	72,037	59,764	285,674
	<u>98,104</u>	<u>65,324</u>	<u>1,029,528</u>
Not contracted:			
- property, plant and equipment	287	-	9,100
- investment in joint venture	2,693,790	1,941,300	1,615,219
	<u>2,694,077</u>	<u>1,941,300</u>	<u>1,624,319</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.37 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

b. Commitments are as follows: (continued)

Commitment in relation to its joint venture:

- i. Pursuant to the Subscription and Shareholders' Agreement, which is reiterated through Letters of Undertaking issued to Battersea Project Holdings Company Limited and its subsidiaries ("Battersea"), the shareholders of Battersea are committed to subscribe for shares in Battersea in proportion to their respective shareholdings when a capital call is made for the purpose of ensuring Battersea and its subsidiaries are able to meet their respective funding obligations.
- ii. Other than as disclosed in (i) above and in Note 2.37, the Group does not have any capital commitments to its joint ventures.

Commitments in relation to leases are as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Commitments under non-cancellable operating leases:			
- expiring not later than 1 year	3,718	2,839	1,366
- expiring later than 1 year and not later than 5 years	<u>3,071</u>	<u>1,402</u>	<u>628</u>

2.38 SEGMENT INFORMATION

The Group has 4 key reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are each headed by a Senior General Manager. The Managing Director reviews the internal management reports on a monthly basis and conducts performance dialogues with the business units on a regular basis.

Segments comprise of:

Property development	Development of residential, commercial and industrial properties
Property investment	Leasing of properties
Leisure and hospitality	Provision of golf, hotel and other recreational facilities and services
Construction contracts	Construction of Pagoh Education Hub. During the financial year, this segment was reclassified as discontinuing operations (Note 2.14)

Transactions between segments are carried out on agreed terms between both parties. The effects of such intersegment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

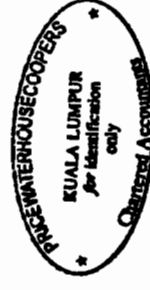
2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

a. Segment results

2015	Property development	Property investment	Leisure and hospitality	Corporate and elimination	Sub-total	Discontinuing operations	Total
Segment revenue:							
External	2,997,785	92,127	164,021	-	3,253,933	370,331	3,624,264
Inter-segment	236	10,468	449	(11,153)	-	-	-
	<u>2,998,021</u>	<u>102,595</u>	<u>164,470</u>	<u>(11,153)</u>	<u>3,253,933</u>	<u>370,331</u>	<u>3,624,264</u>
Segment results:							
Operating profit/(loss)	841,746	73,154	(33,386)	-	881,514	110,570	992,084
Share of results of joint ventures and associates	(63,464)	2,802	-	-	(60,662)	-	(60,662)
Profit/(loss) before interest and taxation	<u>778,282</u>	<u>75,956</u>	<u>(33,386)</u>	<u>-</u>	<u>820,852</u>	<u>110,570</u>	<u>931,422</u>



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

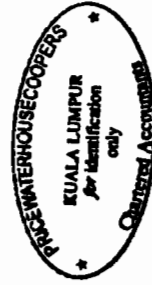
2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2:38 SEGMENT INFORMATION (CONTINUED)

a. Segment results (continued)

2015	Property development	Property investment	Leisure and hospitality	Corporate and elimination	Sub-total	Discontinuing operations	Total
Amortisation of prepaid lease rentals	413	-	-	(5)	408	-	408
Depreciation and amortisation	17,970	17,778	26,331	23	62,102	44	62,146
Provision for impairment of:							
- investment properties	-	4,486	-	-	4,486	-	4,486
Net gain on disposal of:							
- assets held for sale	-	(9,585)	-	-	(9,585)	-	(9,585)
- investment properties	-	(72,348)	-	-	(72,348)	-	(72,348)
- property, plant and equipment	(31)	51	(129)	-	(109)	-	(109)
- subsidiaries	(6)	-	-	-	(6)	-	(6)
- joint venture	(157,248)	-	-	-	(157,248)	-	(157,248)
Write-offs of:							
- property, plant and equipment	-	567	4,950	-	5,517	-	5,517
- investment properties	-	23	-	7,429	7,452	-	7,452



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

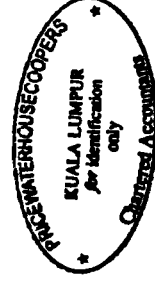
2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

a. Segment results (continued)

2016	Property development	Property investment	Leisure and hospitality	Corporate and elimination	Sub-total	Discontinuing operations	Total
Segment revenue:							
External	2,335,284	94,882	160,571	-	2,590,737	780,352	3,371,089
Inter-segment	253	12,524	72,983	(85,760)	-	-	-
	<u>2,335,537</u>	<u>107,406</u>	<u>233,554</u>	<u>(85,760)</u>	<u>2,590,737</u>	<u>780,352</u>	<u>3,371,089</u>
Segment results:							
Operating profit/(loss)	517,035	498,492	(42,403)	-	973,124	224,904	1,198,028
Share of results of joint ventures and associates	(3,776)	9,071	-	-	5,295	-	5,295
Profit/(loss) before interest and taxation	<u>513,259</u>	<u>507,563</u>	<u>(42,403)</u>	<u>-</u>	<u>978,419</u>	<u>224,904</u>	<u>1,203,323</u>



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

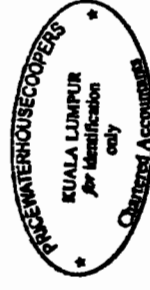
2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2-38 SEGMENT INFORMATION (CONTINUED)

a. Segment results (continued)

<u>2016</u>	<u>Property development</u>	<u>Property investment</u>	<u>Leisure and hospitality</u>	<u>Corporate and elimination</u>	<u>Sub-total</u>	<u>Discontinuing operations</u>	<u>Total</u>
Amortisation of prepaid lease rentals	53	-	-	-	53	-	53
Depreciation and amortisation	19,087	12,434	26,376	2,060	59,957	88	60,045
Provision for impairment of: - property, plant and equipment	-	-	19,075	-	19,075	-	19,075
Net gain on disposal of: - assets held for sale	-	-	(39,711)	-	(39,711)	-	(39,711)
- investment properties	-	(4,400)	-	-	(4,400)	-	(4,400)
- property, plant and equipment	-	(27,931)	1,418	-	(26,513)	-	(26,513)
- subsidiaries	-	(447,026)	-	-	(447,026)	-	(447,026)
Write-offs of: - property, plant and equipment	-	-	19	-	19	-	19
- investment properties	-	9	-	-	9	-	9



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

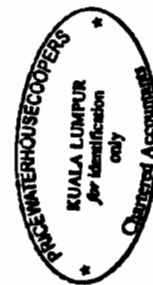
2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

a. Segment results (continued)

2017	Property development	Property investment	Leisure and hospitality	Corporate and elimination	Sub-total	Discontinuing operations	Total
Segment revenue:							
External	2,391,658	54,537	118,204	-	2,564,399	51,395	2,615,794
Inter-segment	168	12,468	254	(12,890)	-	-	-
	<u>2,391,826</u>	<u>67,005</u>	<u>118,458</u>	<u>(12,890)</u>	<u>2,564,399</u>	<u>51,395</u>	<u>2,615,794</u>
Segment results:							
Operating profit/(loss)	399,960	113,823	(14,787)	-	498,996	6,098	505,094
Share of results of joint ventures and associates	179,530	139,123	-	-	318,653	-	318,653
Profit/(loss) before interest and taxation	<u>579,490</u>	<u>252,946</u>	<u>(14,787)</u>	<u>-</u>	<u>817,649</u>	<u>6,098</u>	<u>823,747</u>



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

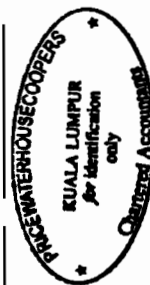
2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

a. Segment results (continued)

2017	Property development	Property investment	Leisure and hospitality	Corporate and elimination	Sub-total	Discontinuing operations	Total
Depreciation and amortisation	18,336	10,707	24,686	3,471	57,200	109	57,309
(Write back of provision)/ provision for impairment of:							
- property, plant and equipment	-	-	(16,052)	-	(16,052)	-	(16,052)
- investment properties	-	(1,878)	-	-	(1,878)	-	(1,878)
Inventories written down	148,998	-	-	-	148,998	-	148,998
Net gain on disposal of:							
- property, plant and equipment	(967)	-	(117)	-	(1,084)	-	(1,084)
- investment properties	-	(14,387)	-	-	(14,387)	-	(14,387)
- subsidiaries	-	(130,359)	-	-	(130,359)	-	(130,359)
Write-offs of:							
- property, plant and equipment	584	6	220	-	810	90	900
- investment properties	-	11	-	-	11	-	11



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

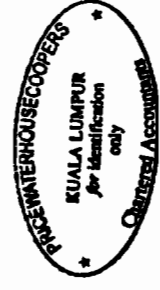
2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets

	Property development	Construction contract	Property investment	Leisure and hospitality	Corporate and elimination	Total
<u>30.6.2015</u>						
Segment assets:						
Operating assets	7,948,386	809,085	798,419	711,837	(1,156,242)	9,111,485
Joint ventures and associates	1,369,769	-	107,406	-	-	1,477,175
Assets held for sale	-	-	220	133,490	-	133,710
	<u>9,318,155</u>	<u>809,085</u>	<u>906,045</u>	<u>845,327</u>	<u>(1,156,242)</u>	<u>10,722,370</u>
Segment liabilities:						
Liabilities	2,071,492	99,611	179,571	1,065,096	(1,156,242)	2,259,528
Liabilities associated with assets held for sale	-	-	-	83,409	-	83,409
	<u>2,071,492</u>	<u>99,611</u>	<u>179,571</u>	<u>1,148,505</u>	<u>(1,156,242)</u>	<u>2,342,937</u>
Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows:						
Capital expenditure	287,012	787	5,187	9,846	-	302,832
Additions to interest in joint ventures and associates	<u>299,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,818</u>
	<u>586,830</u>	<u>787</u>	<u>5,187</u>	<u>9,846</u>	<u>-</u>	<u>602,650</u>



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
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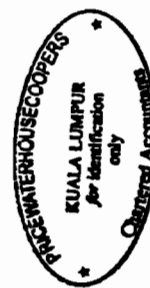
2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets (continued)

	Property development	Construction contract	Property investment	Leisure and hospitality	Corporate and elimination	Total
30.6.2016						
Segment assets:						
Operating assets	8,326,759	1,750,911	770,452	756,026	(1,161,663)	10,442,485
Joint ventures and associates	1,772,601	-	207,555	-	-	1,980,156
	<u>10,099,360</u>	<u>1,750,911</u>	<u>978,007</u>	<u>756,026</u>	<u>(1,161,663)</u>	<u>12,422,641</u>
Segment liabilities:						
Liabilities	<u>2,353,711</u>	<u>378,707</u>	<u>196,678</u>	<u>1,003,950</u>	<u>(1,161,663)</u>	<u>2,770,483</u>
Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows:						
Capital expenditure	240,978	197	2,061	32,100	-	275,336
Additions to interest in joint ventures and associates	<u>574,408</u>	<u>-</u>	<u>57,124</u>	<u>-</u>	<u>-</u>	<u>631,532</u>
	<u>815,386</u>	<u>197</u>	<u>59,185</u>	<u>32,100</u>	<u>-</u>	<u>906,868</u>



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets (continued)

30.6.2017

Segment assets:

Operating assets	8,051,510	-	743,028	683,809	(334,408)	9,143,939
Joint ventures and associates	1,897,063	-	209,516	-	-	2,106,579
Assets held for sale	338,265	1,863,741	310	20,550	-	2,222,866
	<u>10,286,838</u>	<u>1,863,741</u>	<u>952,854</u>	<u>704,359</u>	<u>(334,408)</u>	<u>13,473,384</u>

Segment liabilities:

Liabilities	2,276,922	34,155	236,243	283,976	(334,408)	2,496,888
Liabilities associated with assets held for sale	-	1,392,366	-	4,995	-	1,397,361
	<u>2,276,922</u>	<u>1,426,521</u>	<u>236,243</u>	<u>288,971</u>	<u>(334,408)</u>	<u>3,894,249</u>

Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows:

Capital expenditure	107,234	260	29,776	4,765	-	142,035
Additions to interest in joint ventures and associates	364,594	-	29,911	-	-	394,505
	<u>471,828</u>	<u>260</u>	<u>59,687</u>	<u>4,765</u>	<u>-</u>	<u>536,540</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets (continued)

Capital expenditure consists of the following:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Property, plant and equipment	70,638	49,377	26,298
Investment properties	1,336	1,136	109,604
Land held for property development	228,539	224,115	4,196
Intangible assets other than goodwill	2,319	708	1,937
	<u>302,832</u>	<u>275,336</u>	<u>142,035</u>

c. Segment by geography

Revenue by location of customers are analysed as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Malaysia	3,163,541	2,501,287	2,502,794
Singapore	54,191	57,974	17,775
Vietnam	3,056	2,329	1,923
Australia	24,532	22,491	35,827
United Kingdom	8,613	6,656	6,080
	<u>3,253,933</u>	<u>2,590,737</u>	<u>2,564,399</u>

Revenue and non-current assets, other than financial instruments and deferred tax assets, by location of the Group's operations are analysed as follows:

Revenue

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Malaysia	3,163,541	2,501,287	2,502,794
Singapore	54,191	57,974	17,775
Vietnam	3,056	2,329	1,923
Australia	24,532	22,491	35,827
United Kingdom	8,613	6,656	6,080
	<u>3,253,933</u>	<u>2,590,737</u>	<u>2,564,399</u>

Non-current assets, other than financial instruments and deferred tax assets

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Malaysia	2,822,753	2,816,355	2,534,018
Singapore	306,011	209,642	139,790
Vietnam	8,996	8,954	8,720
Australia	1,755	16,903	15,981
United Kingdom	961,243	1,359,647	1,939,300
	<u>4,100,758</u>	<u>4,411,501</u>	<u>4,637,809</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

- d. Reconciliation of non-current assets, other than financial instruments and deferred tax assets to the total non-current assets are as follows:

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Non-current assets other than financial instruments and deferred tax assets	4,100,758	4,411,501	4,637,809
Available for sale financial assets	52,099	48,730	46,341
Deferred tax assets	550,344	489,164	452,521
Trade and other receivables	55,198	89,181	61,275
Contract assets	650,939	1,440,291	-
	<u>5,409,338</u>	<u>6,478,867</u>	<u>5,197,946</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.38 SEGMENT INFORMATION (CONTINUED)

e. Reconciliation of segment assets and liabilities to total assets and total liabilities are as follows:

	Assets		Liabilities	
	30.6.2015	30.6.2016	30.6.2015	30.6.2017
Reconciliation of segment assets and liabilities to total assets and total liabilities are as follows:				
Segment total	10,722,370	12,422,641	2,342,937	2,770,483
Tax asset/liabilities	613,399	530,331	160,887	197,446
Borrowings	-	-	4,456,343	4,476,676
	<u>11,335,769</u>	<u>12,952,972</u>	<u>6,960,167</u>	<u>7,444,605</u>
				<u>3,894,249</u>
				<u>73,001</u>
				<u>3,398,572</u>
				<u>7,365,822</u>

The Group's operations are diverse in terms of the range of products and services it offers and the geographical coverage. During the financial year ended 30 June 2017, included in the Group's revenue is an one-off land sales amounting to RM421.5 million to a single customer which contributed 16.12% to the Group's revenue. There is no single customer that contributed 10% or more to the Group's revenue in financial year ended 30 June 2015 and 2016.



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.39 RELATED PARTY TRANSACTIONS

Significant related party transactions other than as disclosed elsewhere in the financial statements are set out below:

a. Transactions between subsidiaries and their significant owners of non-controlling interest:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Project management and construction management services rendered to Sime Darby Property Selatan Sdn Bhd ("SDPS") by Tunas Selatan Construction Sdn Bhd, the holding company of Tunas Selatan Pagoh Sdn Bhd	12,259	9,141	3,716
Turnkey construction works rendered to Sime Darby Brunfield Holding Sdn Bhd and its subsidiaries ("SDBH Group") by Brunfield Engineering Sdn Bhd, a company in which Tan Sri Dato' Dr Ir Gan Thian Leong (Tan Sri Dato' Gan) and Encik Mohamad Hassan Zakaria (Encik Hassan) are substantial shareholders	332,790	378,389	265,004
Sales of properties by SDBH Group to Brunfield OASIS Square Sdn Bhd, a company in which Tan Sri Dato' Gan and Encik Hassan are substantial shareholders	34,664	-	-
Sales of properties by SDBH Group to Subang Mall Property Sdn Bhd, a company in which Tan Sri Dato' Gan and Encik Hassan are substantial shareholders	139,500	-	-
Office rental expenses, at Oasis Square paid by SDBH Group to Brunfield Oasis Tower Sdn Bhd, a company in which Tan Sri Dato' Gan and Encik Hassan are substantial shareholders	-	-	1,992

Tan Sri Dato' Gan and Encik Hassan are the directors of SDBH Group.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.39 RELATED PARTY TRANSACTIONS (CONTINUED)

Significant related party transactions other than as disclosed elsewhere in the financial statements are set out below: (continued)

b. Transaction between a subsidiary and its non-controlling interest:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Hotel management and technical advice rendered by Hotel Equatorial Management Sdn Bhd which has non-controlling interest in Syarikat Malacca Straits Inn Sdn Bhd**, a subsidiary of the Group	<u>1,857</u>	<u>1,218</u>	<u>-</u>

**During the financial year ended 30 June 2016, the Group had disposed of its entire interest in the subsidiary.

c. Transaction between a subsidiary and a company in which the subsidiary's director has equity interest:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Architectural services rendered to SDPS by Akitek Jururancang (M) Sdn Bhd, a company in which Tan Sri Dato' Sri Hj Esa, a director of SDPS has an equity interest	<u>2,943</u>	<u>3,118</u>	<u>1,599</u>

d. Transaction between a subsidiary and a subsidiary of the penultimate holding company:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Disposal of land in Glengowrie Estate by The Glengowrie Company Sdn Berhad to Petaling Garden Sdn Bhd, an indirectly wholly-owned subsidiary of Permodalan Nasional Berhad	<u>-</u>	<u>-</u>	<u>420,721</u>

e. Transactions with immediate holding company:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Advance from/(repayment of advance to) immediate holding company	200,104	250,074	(83,027)
Employee share scheme	<u>(208)</u>	<u>4,653</u>	<u>-</u>

f. Transaction with penultimate holding company:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Disposal of a subsidiary, Syarikat Malacca Straits Inn Sdn Bhd	<u>-</u>	<u>55,355</u>	<u>-</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.39 RELATED PARTY TRANSACTIONS (CONTINUED)

Significant related party transactions other than as disclosed elsewhere in the financial statements are set out below: (continued)

g. Transactions with related companies:

<u>Transacting party</u>	<u>Nature of transaction</u>	<u>Relationship</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Yayasan Sime Darby	- Contributions paid to Yayasan Sime Darby	Common immediate holding company	(28,200)	(23,500)	(6,300)
Mecomb Malaysia Sdn Bhd	- Repairs and maintenance services rendered	Common immediate holding company	(618)	(112)	(32)
Sime Darby Holdings Berhad	- Progress claim	Common immediate holding company	-	-	(13,066)
	- Interest expenses		(102,231)	(114,626)	(105,800)
	- Management fees		(17,172)	(16,020)	(19,509)
	- Internal audit fees		(5,224)	(3,225)	(2,661)
	- Rental income		8,275	8,805	7,948
	- Secretarial fees		227	265	-
	- Progress billings issued upon disposal of 4 blocks of office towers		-	-	334,000
Sime Darby Global Services Centre Sdn Bhd ("GSC")	- HR, IT & Finance services rendered	Common immediate holding company	(6,712)	(9,362)	(14,472)
	- Rental income		3,606	3,870	3,846
Sime Darby Rent-A-Car Sdn Bhd	- Car lease rental charged	Common immediate holding company	(3,126)	(3,161)	(2,488)

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.39 RELATED PARTY TRANSACTIONS (CONTINUED)

Significant related party transactions other than as disclosed elsewhere in the financial statements are set out below: (continued)

g. Transactions with related companies: (continued)

<u>Transacting party</u>	<u>Nature of transaction</u>	<u>Relationship</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Sime Darby Plantation Berhad	- Rental income of land	Common immediate holding company	4,920	2,758	2,335
Sanguine (Malaysia) Sdn Bhd	- Purchase of land	Common immediate holding company	-	-	(1,834)
	- Rental expenses		(281)	(281)	(281)
	- Purchase of land		(221,596)	(215,715)	-
Sime Darby Lockton Insurance Brokers Sdn Bhd	- Rental income		110	102	-
	- Insurance premium payable	Common immediate holding company	(1,814)	(1,954)	(4,585)
Ara Damansara Medical Centre Sdn Bhd	- Rental income		1,201	983	1,057
	- Medical	A jointly controlled entity of the immediate holding company	(677)	(1,152)	(1,433)

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.39 **RELATED PARTY TRANSACTIONS (CONTINUED)**

Significant related party transactions other than as disclosed elsewhere in the financial statements are set out below: (continued)

g. Transactions with related companies: (continued)

<u>Transacting party</u>	<u>Nature of transaction</u>	<u>Relationship</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Subang Jaya Medical Centre Sdn Bhd	- Medical	A jointly controlled entity of the immediate holding company	(1,547)	(1,808)	(1,651)
ParkCity Medical Centre Sdn Bhd	- Medical	A jointly controlled entity of the immediate holding company	(88)	(266)	(270)
Sime Darby Agri-Bio Sdn Bhd	- Pest control	Common immediate holding company	(66)	(115)	(3)

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.39 **RELATED PARTY TRANSACTIONS (CONTINUED)**

Significant related party transactions other than as disclosed elsewhere in the financial statements are set out below: (continued)

h. Transactions with associates:

<u>Transacting party</u>	<u>Nature of transaction</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Kuantan Pahang Holding Sdn Bhd	Shareholder advances	(7,690)	(432)	(625)
Shaw Brothers (M) Sdn Bhd	Dividend income	1,800	1,800	1,800
Seriemas Development Sdn Bhd	Dividend income	7,200	-	130,000

i. Transactions with joint ventures:

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Shareholder advances (non-interest bearing)	(31,690)	(16,500)	(17,750)
Advances to joint ventures	-	(15,000)	(35,000)
Repayment from joint ventures	11,500	23,000	23,000
Payment for purchase of properties	(11,712)	-	(25,570)
Disposal of subsidiaries, Sime Darby Property (Dunearn) Limited and Sime Darby Property (Kilang) Private Limited to Aster Investment Holding Pte Ltd	-	613,083	-
Disposal of subsidiary, Sime Darby Property (Alexandra) Private Limited to Aster Investment Holding Pte Ltd	-	-	249,229
Redemption of redeemable preference shares in a joint venture	-	-	63,038

Transactions with key management personnel

Key management personnel comprise the Directors and management personnel of the Group having authority and responsibility for planning, directing and controlling the activities of the Group directly and indirectly.

	<u>2015</u>	<u>2016</u>	<u>2017</u>
a. Remuneration of Directors and key management personnel:			
- salaries, fees and other emoluments	6,350	6,647	6,431
- defined contribution plan	821	677	811
- employee share scheme	1,552	-	-
- estimated monetary value of benefits by way of usage of the Group's assets	49	117	18
b. Sales of properties to Directors of:			
- the immediate holding company	5,601	1,083	607
- the Company	17,444	3,405	-

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.39 RELATED PARTY TRANSACTIONS (CONTINUED)

Significant related party transactions other than as disclosed elsewhere in the financial statements are set out below: (continued)

Transactions with key management personnel (continued)

Key management personnel comprise the Directors and management personnel of the Group having authority and responsibility for planning, directing and controlling the activities of the Group directly and indirectly. (continued)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
c. Sales of properties to the key management personnel of:			
- the immediate holding company	-	630	980
- the Company	-	1,791	1,701
d. Sales of properties to the close family members of Directors of:			
- the immediate holding company	1,638	854	-
- the Company	-	4,782	-
e. Sales of properties to the close family members of key management personnel of:			
- the immediate holding company	696	-	3,528
- the Company	-	1,253	631

Other than as disclosed above, there were no material contracts subsisting as at 30 June 2017 or if not then subsisting, entered into since the end of the previous financial year by the Group or its subsidiaries which involved the interests of Directors or substantial shareholders.

The outstanding balances with joint ventures, associates, related companies and subsidiaries are shown in Notes 2.9, 2.10, 2.23, 2.35 and 2.36 to the financial statements.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.40 FINANCIAL INSTRUMENTS

a. Financial instruments measured at fair value

In estimating the financial instruments carried at fair value, there are, in general, three different levels which can be defined as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Valuation inputs (other than Level 1 input) that are observable for the asset or liability, either directly or indirectly;
- Level 3 - Valuation inputs that are not based on observable market data.

Available-for-sale financial assets

If there are quoted market prices in active markets, these are considered Level 1. If such quoted market prices are not available, fair value are determined using market prices for similar assets or present value techniques, applying an appropriate risk-free interest rate adjusted for non-performance risk. The inputs used in present value techniques are observable and fall into the Level 2 category. It is classified into the Level 3 category if significant unobservable inputs are used.

The following table presents the Group's available-for-sale financial assets, that are measured at fair value into three different levels as defined above:

	<u>Level 1</u>
2015	<u>16,599</u>
2016	<u>13,230</u>
2017	<u>10,841</u>

- b. The fair value of financial assets and financial liabilities approximate their carrying amounts as the impact of discounting is not significant.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.41 **FINANCIAL RISK MANAGEMENT**

Details of each financial risk are as follows:

a. Interest rate risk

The percentages of fixed rate borrowings to the total borrowings as at 30 June are as follows:

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
Total borrowings (Note 2.32)	1,734,509	2,140,692	1,168,881
Fixed rate borrowings	470,563	869,460	-
Floating rate borrowings	1,263,946	1,271,232	1,168,881
Total borrowings	<u>1,734,509</u>	<u>2,140,692</u>	<u>1,168,881</u>
Percentage of fixed rate borrowings over total borrowings	<u>27.13%</u>	<u>40.62%</u>	<u>-</u>

Interest rates on loans due to related companies are as disclosed in Note 2.35.

The following table demonstrates the effect of changes in interest rate of floating rate borrowings. If the interest rate increased by 1% of the rate, with all variables held constant, the Group's profit after taxation and equity will be higher/(lower) by:

	<u>30.6.2015</u>	<u>30.6.2016</u>	<u>30.6.2017</u>
External borrowings	531	557	490
Loans due to related companies	1,233	1,137	1,006
	<u>1,764</u>	<u>1,694</u>	<u>1,496</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.41 FINANCIAL RISK MANAGEMENT (CONTINUED)

Details of each financial risk are as follows: (continued)

b. Liquidity and cash flow risks

The undiscounted contractual cash flows of the Group's financial liabilities as at the end of the reporting date are as follows:

	On demand or within <u>1 year</u>	Between 1 <u>and 2 years</u>	Between 2 and 5 <u>years</u>	Above <u>5 years</u>	Total contractual <u>cash flows</u>
30.6.2015					
Loans due to related companies:					
- principal (Note 2.35)	-	-	-	2,721,834	2,721,834
- interest	123,775	123,775	371,318	123,775	742,643
Trade and other payables (including finance lease obligations) (Note 2.36)	1,866,361	36,940	20,980	46,857	1,971,138
Borrowings:					
- principal (Note 2.32)	104,400	241,926	918,167	470,016	1,734,509
- interest	82,959	78,695	152,877	55,946	370,477
	<u>2,177,495</u>	<u>481,336</u>	<u>1,463,342</u>	<u>3,418,428</u>	<u>7,540,601</u>
30.6.2016					
Loans due to related companies:					
- principal (Note 2.35)	-	-	-	2,335,984	2,335,984
- interest	112,594	112,594	337,782	112,594	675,564
Trade and other payables (including finance lease obligations) (Note 2.36)	2,197,617	21,975	8,545	2,494	2,230,631
Borrowings:					
- principal (Note 2.32)	187,385	301,313	821,605	830,389	2,140,692
- interest	131,041	98,478	206,015	223,606	659,140
	<u>2,628,637</u>	<u>534,360</u>	<u>1,373,947</u>	<u>3,505,067</u>	<u>8,042,011</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.41 FINANCIAL RISK MANAGEMENT (CONTINUED)

Details of each financial risk are as follows: (continued)

b. Liquidity and cash flow risks (continued)

The undiscounted contractual cash flows of the Group's financial liabilities as at the end of the reporting date are as follows: (continued)

	<u>On demand or within 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Above 5 years</u>	<u>Total contractual cash flows</u>
<u>30.6.2017</u>					
Loans due to related companies:					
- principal (Note 2.35)	-	-	-	2,229,691	2,229,691
- interest	108,363	108,363	325,089	108,363	650,178
Trade and other payables (including finance lease obligations) (Note 2.36)	1,973,793	61,729	12,078	141	2,047,741
Borrowings:					
- principal (Note 2.32)	230,154	450,125	308,354	180,248	1,168,881
- interest	45,515	37,162	61,283	51,628	195,588
	<u>2,357,825</u>	<u>657,379</u>	<u>706,804</u>	<u>2,570,071</u>	<u>6,292,079</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.41 **FINANCIAL RISK MANAGEMENT (CONTINUED)**

Details of each financial risk are as follows: (continued)

c. Credit risk

The maximum exposure and collateral and credit enhancements are as follows:

	<u>Maximum exposure</u>	<u>Collateral and credit enhancement</u>
<u>30.6.2015</u>		
Trade and other receivables	1,304,710	1,149,213
Contract assets	1,057,838	-
Cash held under Housing Development Accounts	556,072	-
Bank balances, deposits and cash	250,143	-
	<u>3,168,763</u>	<u>1,149,213</u>
<u>30.6.2016</u>		
Trade and other receivables	913,873	604,825
Contract assets	1,782,457	-
Cash held under Housing Development Accounts	610,020	-
Bank balances, deposits and cash	295,990	-
	<u>3,602,340</u>	<u>604,825</u>
<u>30.6.2017</u>		
Trade and other receivables	743,808	535,505
Contract assets	167,862	-
Cash held under Housing Development Accounts	581,049	-
Bank balances, deposits and cash	494,211	-
	<u>1,986,930</u>	<u>535,505</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

<u>Subsidiaries</u>		<u>Country of incorporation</u>	<u>Group's effective interest (%)</u>			<u>Auditors</u>
<u>Name of company</u>	<u>Principal activities</u>		<u>2015</u>	<u>2016</u>	<u>2017</u>	
Genting View Resort Development Sdn Bhd	Property development and provision of management services	Malaysia	30.4	60.0	60.0	1
Golfhome Development Sdn Bhd	Property investment and property development	Malaysia	100.0	100.0	100.0	1
Golftek Development Sdn Bhd	Property investment and property development	Malaysia	100.0	100.0	100.0	1
Harvard Golf Resort (Jerai) Berhad	Provision of golfing and sporting services	Malaysia	99.0	99.0	99.0	1
Harvard Hotel (Jerai) Sdn Bhd	Operation of a hotel	Malaysia	100.0	100.0	100.0	1
Sime Darby Property (Utara) Sdn Bhd	Property development and property investment	Malaysia	100.0	100.0	100.0	1
Impian Golf Resort Berhad	Provision of golfing and sporting services	Malaysia	100.0	100.0	100.0	1
Sime Darby Urus Harta Sdn Bhd	Investment holding and property management services	Malaysia	100.0	100.0	100.0	1
Sime Darby USJ Development Sdn Bhd	Property development and property investment	Malaysia	100.0	100.0	100.0	1
Sime Healthcare Sdn Bhd	Property investment	Malaysia	100.0	100.0	100.0	1
Sime Wood Industries Sdn Bhd	Property investment and provision of property management services	Malaysia	100.0	100.0	100.0	1
Sime Darby Builders Sdn Bhd	Property development and construction	Malaysia	100.0	100.0	100.0	1
Stableford Development Sdn Bhd	Property investment and development and operation of a convention centre	Malaysia	100.0	100.0	100.0	1
Syarikat Malacca Straits Inn Sdn Bhd (Disposed on 21 June 2016)	Ownership and operation of hotel known as Hotel Equatorial Melaka	Malaysia	55.0	-	-	1
Ironwood Development Sdn Bhd	Property investment and property development	Malaysia	100.0	100.0	100.0	1
Kuala Lumpur Golf & Country Club Berhad	Provision of golfing and sporting services and property development	Malaysia	100.0	100.0	100.0	1
Malaysia Land Development Company Berhad	Property investment, property management and investment holding	Malaysia	50.7	100.0	100.0	1

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)Subsidiaries (continued)

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Group's effective interest (%)</u>			<u>Auditors</u>
			<u>2015</u>	<u>2016</u>	<u>2017</u>	
Sime Darby Ainsdale Development Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Ampar Tenang Sdn Bhd	Property investment	Malaysia	100.0	100.0	100.0	1
Sime Darby Ara Damansara Development Sdn Bhd	Property investment and development	Malaysia	100.0	100.0	100.0	1
Sime Darby Augsburg (M) Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Brunfield Damansara Sdn Bhd	Property investment and development	Malaysia	60.0	60.0	60.0	1
Sime Darby Brunfield Holding Sdn Bhd	Property development and investment holding	Malaysia	60.0	60.0	60.0	1
Sime Darby Brunfield Kenny Hills Sdn Bhd	Property development	Malaysia	60.0	60.0	60.0	1
Sime Darby Brunfield Motorworld Sdn Bhd	Investment holding	Malaysia	60.0	60.0	60.0	1
Sime Darby Brunfield Properties Holding Sdn Bhd	Property investment	Malaysia	60.0	60.0	60.0	1
Sime Darby Brunfield Resort Sdn Bhd	Property development	Malaysia	60.0	60.0	60.0	1
Superglade Sdn Bhd	Project development services	Malaysia	-	60.0	60.0	1
Sime Darby Building Management Services Sdn Bhd	Provision of property management services	Malaysia	100.0	100.0	100.0	1
Sime Darby Chemara Sdn Berhad	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Constant Skyline Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Elmina Development Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	100.0	1
Sime Darby GVR Management Sdn Bhd	Resort management	Malaysia	50.7	100.0	100.0	1
Sime Darby Kulai Development Sdn Bhd	Property development and property investment	Malaysia	100.0	100.0	100.0	1
Sime Darby Johor Development Sdn Bhd	Property development, property investment and investment holding	Malaysia	100.0	100.0	100.0	1



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)Subsidiaries (continued)

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Group's effective interest (%)</u>			<u>Auditors</u>
			<u>2015</u>	<u>2016</u>	<u>2017</u>	
Sime Darby KLGCC Development Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Landscaping Sdn Bhd	Property investment and development	Malaysia	100.0	100.0	100.0	1
Sime Darby Lukut Development Sdn Bhd	Property investment and development	Malaysia	100.0	100.0	100.0	1
Sime Darby Melawati Development Sdn Bhd	Property development, property management and property investment	Malaysia	100.0	100.0	100.0	1
Sime Darby Nilai Utama Sdn Bhd	Property development	Malaysia	70.0	70.0	70.0	1
Sime Darby Pagoh Development Sdn Bhd	Property development and property investment	Malaysia	100.0	100.0	100.0	1
Sime Darby Paralimni Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Properties (Sabah) Sdn Bhd	Property development and investment holding	Malaysia	100.0	100.0	100.0	1
Sime Darby Properties (Selangor) Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Properties Builders Sdn Bhd	Construction	Malaysia	100.0	100.0	100.0	1
Sime Darby Properties Realty Sdn Bhd	Property development and management	Malaysia	100.0	100.0	100.0	1
Sime Darby Property (Bukit Selarong) Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Property (Bukit Tunku) Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Property (Klang) Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
Sime Darby Property (Lembah Acob) Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	100.0	1
Sime Darby Property (Nilai) Sdn Bhd	Property development, investment and provision of property management services	Malaysia	100.0	100.0	100.0	1

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)Subsidiaries (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)			Auditors
			2015	2016	2017	
Sime Darby Property (Subang) Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	100.0	1
Sime Darby Property (Sungai Kapar) Sdn Bhd	Investment holding, property development and property investment	Malaysia	100.0	100.0	100.0	1
Sime Darby Property Holdings Sdn Bhd	Property investment and provision of property management services	Malaysia	100.0	100.0	100.0	1
Sime Darby Property Management Sdn Bhd	Property management services and property investment holding	Malaysia	100.0	100.0	100.0	1
Sime Darby Property Selatan Sdn Bhd	Investment holding and construction	Malaysia	60.0	60.0	60.0	1
Sime Darby Property Selatan Satu Sdn Bhd	Construction and assets management services under the concession arrangement	Malaysia	60.0	60.0	60.0	1
Sime Darby Property Selatan Dua Sdn Bhd	Construction and assets management services under the concession arrangement	Malaysia	60.0	60.0	60.0	1
Sime Darby Property Selatan Tiga Sdn Bhd	Construction and assets management services under the concession arrangement	Malaysia	60.0	60.0	60.0	1
Sime Darby Property Selatan Empat Sdn Bhd	Construction and assets management services under the concession arrangement	Malaysia	60.0	60.0	60.0	1
Sime Darby Serenia Development Sdn Bhd	Property investment and development	Malaysia	100.0	100.0	100.0	1
Sime Darby Sungai Kantan Development Sdn Bhd	Property development and management	Malaysia	100.0	100.0	100.0	1
Syarikat Perumahan Guthrie Sdn Bhd	Property development	Malaysia	100.0	100.0	100.0	1
The Glengowrie Rubber Company Sdn Berhad	Property investment and development	Malaysia	78.7	78.7	78.7	1
Wisma Sime Darby Sdn Berhad	Property investment, management and related services	Malaysia	100.0	100.0	100.0	1
Darby Park (Management) Pte Ltd	Property investment and management of service apartments and investment holding	Singapore	100.0	100.0	100.0	2
Darby Park (Singapore) Pte Ltd	Property investment and management of service residences	Singapore	100.0	100.0	100.0	2

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)Subsidiaries (continued)

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Group's effective interest (%)</u>			<u>Auditors</u>
			<u>2015</u>	<u>2016</u>	<u>2017</u>	
Sime Darby Property (Alexandra) Private Limited (Disposed on 29 September 2016)	Property investment and management	Singapore	100.0	100.0	-	5
Sime Darby Property (Dunearn) Private Limited (Disposed on 24 May 2016)	Property investment and management	Singapore	100.0	-	-	5
Sime Darby Property (Kilang) Private Limited (Disposed on 24 May 2016)	Property investment and management	Singapore	100.0	-	-	5
Sime Darby Property (Vietnam) Pte Ltd	Investment holding and management of service residences	Singapore	100.0	100.0	100.0	2
Sime Darby Property Singapore Limited	Property management and investment holding	Singapore	100.0	100.0	100.0	2
Sime Darby Real Estate Management Pte Ltd	Property management services	Singapore	-	100.0	100.0	2
Sime Darby Property (Hong Kong) Limited	Investment holding	Hong Kong SAR	100.0	100.0	100.0	2
OCI Management Pty Ltd	Security and land care services	Australia	60.0	60.0	60.0	2
Sime Darby Australia Limited	Investment holding, service apartments, holiday homes	Australia	100.0	100.0	100.0	2
Sime Darby Serenity Cove Pty Limited	Property development	Australia	60.0	60.0	60.0	2
Sime Darby Hotels Pty Ltd	Operation of service apartments	Australia	100.0	100.0	100.0	2
Sime Darby Investments Pty Limited	Investment holding	Australia	100.0	100.0	100.0	2
Sime Darby Resorts Pty Ltd	Management of a resort	Australia	100.0	100.0	100.0	2
Key Access Holdings Limited	Investment holding	British Virgin Islands	100.0	100.0	100.0	4
Sime Darby Brunfield Australia Pte Ltd	Investment holding	British Virgin Islands	60.0	60.0	60.0	4
Vibernum Limited	Property investment holding	Guernsey	100.0	100.0	100.0	2
Sime Darby London Limited	Property investment holding	United Kingdom	100.0	100.0	100.0	2
Darby Park (Vietnam) Limited	Development and operation of service residences	Vietnam	65.0	65.0	65.0	2

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)Subsidiaries (continued)

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Group's effective interest (%)</u>			<u>Auditors</u>
			<u>2015</u>	<u>2016</u>	<u>2017</u>	
Sime Darby Brunnsfield Property Sdn Bhd	Dormant	Malaysia	70.0	70.0	70.0	1
Sime Darby Property (USJ) Sdn Bhd	Dormant	Malaysia	100.0	100.0	100.0	1
Sime Darby Putra Heights Development Sdn Bhd	Dormant	Malaysia	100.0	100.0	100.0	1
MVV Holdings Sdn Bhd	Dormant	Malaysia	-	-	100.0	1
Robt Bradford & Company Ltd	Dormant	United Kingdom	100.0	100.0	100.0	4
Robt Bradford Hobbs Savill Ltd	Dormant	United Kingdom	98.6	98.6	98.6	4

Joint ventures

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Group's effective interest (%)</u>			<u>Auditors</u>
			<u>2015</u>	<u>2016</u>	<u>2017</u>	
Sime Darby Real Estate Investment Trust 1	Real estate investment	Singapore	-	25.0	25.0	3
Battersea Project Holding Company Limited	Investment holding	Jersey	40.0	40.0	40.0	2
Battersea Power Station Development Company Limited	Provider of development management services	United Kingdom	40.0	40.0	40.0	2
Battersea Power Station Estates Limited	Property/residential sales services	United Kingdom	40.0	40.0	40.0	2
Sime Darby Sunrise Development Sdn Bhd	Property development	Malaysia	50.0	50.0	50.0	1
Sime Darby Brunnsfield International Limited	Dormant	British Virgin Islands	50.0	50.0	50.0	4
Sime Darby Brunnsfield Properties Australia Pty Ltd	Dormant	Australia	50.0	50.0	50.0	4
Sime Darby Capitaland (Melawati Mall) Sdn Bhd	Property investment	Malaysia	50.0	50.0	50.0	3
PJ Midtown Development Sdn Bhd	Property development	Malaysia	30.0	30.0	30.0	1

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)Associates

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Group's effective interest (%)</u>			<u>Auditors</u>
			<u>2015</u>	<u>2016</u>	<u>2017</u>	
Kuantan Pahang Holding Sdn Bhd	Investment holding	Malaysia	30.0	30.0	30.0	1
Malaysia-China Kuantan Industrial Park Sdn Bhd (subsidiary of Kuantan Pahang Holding Sdn Bhd)	Property development	Malaysia	15.3	15.3	15.3	1
Seriemas Resort Sdn Berhad	Property development, property investment and investment holding	Malaysia	28.0	28.0	28.0	3
Seriemas Development Sdn Bhd	Property development and provision of related consultancy services	Malaysia	40.0	40.0	40.0	3
Shaw Brothers (M) Sdn Bhd	Investment holding	Malaysia	36.0	36.0	36.0	3
Mostyn Development Sdn Bhd	Property development	Malaysia	30.0	30.0	30.0	3

Notes:

- Subsidiaries, joint ventures and associates which are audited by PricewaterhouseCoopers, Malaysia.
- Subsidiaries, joint ventures and associates which are audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia.
- Subsidiaries, joint ventures and associates which are audited by firms other than member firms of PricewaterhouseCoopers International Limited.
- No legal requirement to appoint auditors.
- Subsidiaries which are audited by member firms of PricewaterhouseCoopers International Limited, before the entities were disposed.



14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.42 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries and associates placed under members' voluntary liquidation or deregistered during the financial year are as follows:

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Group's effective interest (%)</u>		
		<u>2015</u>	<u>2016</u>	<u>2017</u>
i. Subsidiaries				
Alor Setia Sdn Bhd (Dissolved on 13 Nov 2015)	Malaysia	100.0	-	-
Puchong Quarry Sdn Bhd (Dissolved on 4 Sep 2015)	Malaysia	100.0	-	-
R&W Management Sdn Bhd (Dissolved on 4 Sep 2015)	Malaysia	100.0	-	-
Sime Darby Land (Johor) Sdn Bhd (Dissolved on 13 Nov 2015)	Malaysia	100.0	-	-
Xinjiang Sime Darby Property Co Ltd (Deregistered on 27 Jun 2016)	China	100.0	-	-
Golden Hope Staff Bungalows Sdn Bhd	Malaysia	100.0	100.0	100.0
Sime Darby SJCC Development Sdn Bhd	Malaysia	100.0	100.0	100.0
Sime Darby Property (Bestari Jaya) Sdn Bhd	Malaysia	100.0	100.0	100.0
Sime Darby Properties Harta Sdn Bhd	Malaysia	100.0	100.0	100.0
Sime Darby Management Services Limited (Liquidated on 7 October 2016)	United Kingdom	-	100.0	100.0
Sime Darby Property (Amston) Pte Ltd	Singapore	100.0	100.0	100.0
Sapphire Australian Industrial Asset Investment Holding Pty Ltd	Singapore	-	-	100.0
Sapphire Industrial Asset Investment Holding Pty Ltd	Singapore	-	-	100.0
Sime Darby Asset Management (Australia) Pty Ltd	Australia	-	-	100.0
ii. Associate				
Bitaria Sdn Bhd	Malaysia	24.0	24.0	24.0

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.43 PERFORMANCE-BASED EMPLOYEE SHARE SCHEME

The Performance-Based Employee Share Scheme (PBESS) of Sime Darby Berhad, was effected on 15 January 2013. Under the PBESS, ordinary shares each in Sime Darby Berhad ("Sime Darby Shares") are granted to eligible employees and executive directors of Sime Darby Berhad group of companies.

The grants under the PBESS comprise the Group Performance Share ("GPS"), the Division Performance Share ("DPS") and the General Employee Share ("GES").

The salient features of the PBESS are as follows:

- a. Eligible employees are those executives (including executive directors) who have attained the age of 18 years; entered into a full-time or fixed-term contract of employment with and is on the payroll of the Company; have not served notice of resignation or received notice of termination on the date of the offer; whose service/employment have been confirmed in writing; and have fulfilled other eligibility criteria which has been determined by the Nomination & Remuneration Committee ("NRC") at its sole and absolute discretion from time to time.
- b. The total number of Sime Darby Shares to be offered to any one of the employees and/or to be vested in any one of the grantees shall not be more than 10% of the Sime Darby Shares made available under the PBESS and shall not either singly or collectively through persons connected with the said employee who holds 20% or more of Sime Darby Berhad's issued share capital.
- c. The maximum number of Sime Darby Shares to be allotted and issued under the PBESS shall not be more than in aggregate 10% of the issued ordinary share capital of Sime Darby Berhad at any point in time during the duration of the PBESS.
- d. The PBESS shall be in force for a period of 10 years commencing from the effective date of implementation.
- e. The new Sime Darby Shares to be allotted and issued pursuant to the PBESS shall, upon allotment and issuance, rank pari passu in all respects with the then existing issued Sime Darby Shares and shall be entitled to any rights, dividends, allotments and/or distributions attached thereto and/or which may be declared, made or paid to Sime Darby Berhad's shareholders, provided that the relevant allotment date of such new shares is before the record date (as defined in the PBESS By-Laws) for any right, allotment or distribution.
- f. If the NRC so decides (but not otherwise), in the event of any alteration in the capital structure of the Sime Darby Berhad during the duration of the PBESS, such corresponding alterations (if any) may be made in the number of unvested Sime Darby Shares and/or the method and/or manner in the vesting of the Sime Darby Shares comprised in a grant.



14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.43 **PERFORMANCE-BASED EMPLOYEE SHARE SCHEME (CONTINUED)**

The shares granted will be vested only upon fulfillment of vesting conditions which include achievement of service period and performance targets as follows:

Performance metrics	GPS	DPS and GES
	Group Long Term Incentive Plan (LTIP) scorecard (financial targets) and absolute and relative total shareholders' return of Sime Darby Berhad	Division/Group LTIP scorecard (financial and strategic targets)
Vesting period	First grant - over a 3-year period from the commencement date of 1 July 2013, with retest till 30 June 2018 for GPS Second grant - over a 3-year period from the commencement date of 1 July 2014, with retest till 30 June 2019 for GPS	

Depending on the level of achievement of the performance targets as determined by the NRC, the total number of shares which will vest may be lower or higher than the total number of shares granted.

The movement in the number of Sime Darby Shares granted under the PBESS, in which the employees of the Group are entitled to, is as follows:

	Fair value at grant date (RM)	Number of ordinary shares				
		At 1 July 2016	Lapsed	Adjusted*	Forfeited	At 30 June 2017
First grant						
GPS	7.737	312,050	(312,050)	-	-	-
DPS	8.583	436,280	(436,280)	-	-	-
GES	8.583	664,263	(664,263)	-	-	-
Second grant						
GPS	7.243	347,547	-	145	(49,081)	298,611
DPS	8.181	480,859	-	216	(68,745)	412,330
GES	8.181	805,612	-	2,550	(82,433)	725,729

* Adjusted – movement of shares granted to staff who have been transferred between entities within Sime Darby Berhad Group.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.43 PERFORMANCE-BASED EMPLOYEE SHARE SCHEME (CONTINUED)

The movement in the number of Sime Darby Shares granted under the PBESS, in which the employees of the Group are entitled to, is as follows: (continued)

	Fair value at grant date (RM)	Number of ordinary shares				At 30 June 2016
		At 1 July 2015	Granted	Adjusted*	Forfeited	
First grant						
GPS	7.737	354,425	-	1,030	(43,405)	312,050
DPS	8.583	491,183	-	1,535	(56,438)	436,280
GES	8.583	697,957	-	642	(34,336)	664,263
Second grant						
GPS	7.243	395,249	-	2,795	(50,497)	347,547
DPS	8.181	542,728	-	4,166	(66,035)	480,859
GES	8.181	842,484	-	2,743	(39,615)	805,612

	Fair value at grant date (RM)	Number of ordinary shares				At 30 June 2015
		At 1 July 2014	Granted	Adjusted*	Forfeited	
First grant						
GPS	7.737	360,468	-	20,712	(26,755)	354,425
DPS	8.583	507,716	-	22,993	(39,526)	491,183
GES	8.583	706,735	-	5,124	(13,902)	697,957
Second grant						
GPS	7.243	-	382,000	33,249	(20,000)	395,249
DPS	8.181	-	538,400	34,028	(29,700)	542,728
GES	8.181	-	850,200	11,560	(19,276)	842,484

* Adjusted – movement of shares granted to staff who have been transferred between entities within Sime Darby Berhad Group.

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.43 PERFORMANCE-BASED EMPLOYEE SHARE SCHEME (CONTINUED)

No grant under the PBESS were made during the financial year as the Group is reviewing its LTIP. An update and/or proposal for change to the LTIP will be presented to the NRC. The third grant of PBESS is deferred until such time the review proposal is approved by the NRC.

The fair value of the Sime Darby Shares granted is determined using Monte Carlo Simulation model, taking into account the terms and conditions under which the shares were granted.

The significant inputs in the model are as follows:

	<u>GPS</u>	<u>DPS</u>	<u>GES</u>
<u>First grant</u>			
Closing market price at grant date (RM)	9.54	9.54	9.54
Expected volatility (%)	12.94	12.94	12.94
Expected dividend yield (%)	3.47	3.47	3.47
Risk free rate (%)	3.21-3.53	3.28	3.28
<u>Second grant</u>			
Closing market price at grant date (RM)	9.16	9.16	9.16
Expected volatility (%)	11.60	11.60	11.60
Expected dividend yield (%)	3.79	3.79	3.79
Risk free rate (%)	3.51-3.64	3.51	3.51

The expected dividend yield used was based on historical data and future estimates, which may not necessarily be the actual outcome. Volatility is measured over a 3-year period on a daily basis to increase the credibility of assumption. No other features of the share award were incorporated into the measurement of fair value.

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

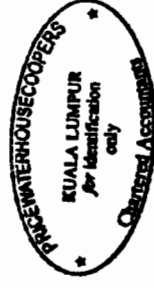
Amounts in RM'000 unless otherwise stated

2.44 DIVIDENDS

Dividends declared and paid are as follows:

	2015		2016		2017	
	Gross dividend per share	Amount of dividend	Gross dividend per share	Amount of dividend	Gross dividend per share	Amount of dividend
	sen		sen		sen	
First interim single tier dividend	10	100,000	25	250,000	5	50,000
Second interim single tier dividend	10	100,000	-	-	-	-
	20	200,000	25	250,000	5	50,000

The Directors do not recommend the payment of a final dividend in respect of the financial year ended 30 June 2017.



14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15**2.45.1 MFRS 1 mandatory exception**

MFRS estimates as at transition date are consistent with the estimates as at the same date made in conformity of FRS.

2.45.2 Reclassification of merger reserve deficit and capital reserve

The Group has reclassified the merger reserve deficit of RM570,433,000 and capital reserve of RM23,496,000 to retained earnings at the date of transition.

2.45.3 Early adoption of MFRS 15

As described in Note 2.1.2, the Group had early adopted MFRS 15 during the financial year, which mainly affected its property development activities, whereby:

- it had deferred revenue recognition for sales of properties when the collection of consideration was not probable and it did not have an enforceable right to payment for completed performance to date;
- separate performance obligations were identified and revenue recognition was deferred for performance which had not yet been satisfied; and
- capitalised expenses attributable to the contracts with customers were expensed off by reference to the completed performance to date.

The adoption had resulted in the change in the accounting policy (Note 2.1.2), which had been applied retrospectively and resulted in restatements in the financial statements for prior years, which can be summarised below:

	2015	2016
Net reversal or recognition of revenue from FRS to MFRS, based on transfer of controls over the assets and when it was probable that the considerations will be collected	(4,637)	300,252
Recognition of golf membership revenue on a straight line basis over the term of the membership	<u>(3,650)</u>	<u>(2,724)</u>
Total adjustments on revenue	(8,287)	297,528
Net adjustment to operating expenses due to reversal or recognition of the revenue above	103,611	(174,435)
Tax effects of the adjustments	<u>(26,638)</u>	<u>(30,111)</u>
Impact of MFRS 15 on the results of the Group	<u>68,686</u>	<u>92,982</u>

The impact of MFRS 15 on the current financial year's results is as follows:

	Based on FRS	Effects of MFRS 15	As presented under MFRS
<u>Group</u>			
Revenue	2,500,522	63,877	2,564,399
Profit after taxation	<u>674,909</u>	<u>7,354</u>	<u>682,263</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15
(CONTINUED)**2.45.4 Explanation of transition from FRSs to MFRSs and early adoption of MFRS 15 'Revenue from Contracts with Customers'**

MFRS 1 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from FRSs to MFRSs for the respective periods noted for equity and total comprehensive income.

Reconciliation of equity

	1.7.2014	30.6.2015	30.6.2016
Equity as reported under FRS	3,859,993	4,643,583	5,683,366
Effects from adoption of MFRS 15	<u>(336,667)</u>	<u>(267,981)</u>	<u>(174,999)</u>
Equity on transition to MFRS	<u>3,523,326</u>	<u>4,375,602</u>	<u>5,508,367</u>

Reconciliation of profit or loss

2015	Previously stated under FRSs	Discontinuing operations (Note 2.14)	Effects of MFRS 15	Restated under MFRSs
<u>Continuing operations</u>				
Revenue	3,632,551	(370,331)	(8,287)	3,253,933
Operating expenses	(2,994,840)	260,683	103,611	(2,630,546)
Other operating income	259,149	(922)	-	258,227
Other losses	(100)	-	-	(100)
Operating profit	896,760	(110,570)	95,324	881,514
Share of results of joint ventures	(74,953)	-	-	(74,953)
Share of results of associates	14,291	-	-	14,291
Profit before interest and tax	836,098	(110,570)	95,324	820,852
Finance income	44,004	(19,598)	-	24,406
Finance costs	(109,852)	5,024	-	(104,828)
Profit before taxation	770,250	(125,144)	95,324	740,430
Taxation	(150,716)	26,777	(26,638)	(150,577)
Profit for the financial year from continuing operations	619,534	(98,367)	68,686	589,853
<u>Discontinuing operations</u>				
Profit for the financial year from discontinuing operations	-	98,367	-	98,367
Profit for the financial year	<u>619,534</u>	<u>-</u>	<u>68,686</u>	<u>688,220</u>
Profit for the financial year attributable to owners of:				
- the Company				
- from continuing operations	550,832	(59,020)	68,997	560,809
- from discontinuing operations	-	59,020	-	59,020
	<u>550,832</u>	<u>-</u>	<u>68,997</u>	<u>619,829</u>
- non-controlling interests	68,702	-	(311)	68,391
	<u>619,534</u>	<u>-</u>	<u>68,686</u>	<u>688,220</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)**2.45.4 Explanation of transition from FRSs to MFRSs and early adoption of MFRS 15 'Revenue from Contracts with Customers' (continued)****Reconciliation of comprehensive income (continued)**

2015	Previously stated under FRSs	Discontinuing operations (Note 2.14)	Effects of MFRS 15	Restated under MFRSs
Profit for the financial year	619,534	-	68,686	688,220
Other comprehensive income/(loss)				
<u>Continuing operations</u>				
<u>Items which will be subsequently reclassified to profit or loss (net of tax):</u>				
Currency translation differences	69,234	-	-	69,234
Available-for-sale financial assets:				
- net changes in fair value	(5,574)	-	-	(5,574)
Share of other comprehensive loss of associates	(3,655)	-	-	(3,655)
	<u>60,005</u>	<u>-</u>	<u>-</u>	<u>60,005</u>
<u>Items which are reclassified to profit or loss (net of tax):</u>				
Currency translation differences - liquidation of subsidiaries	857	-	-	857
Total other comprehensive income	<u>60,862</u>	<u>-</u>	<u>-</u>	<u>60,862</u>
Total comprehensive income for the financial year	<u>680,396</u>	<u>-</u>	<u>68,686</u>	<u>749,082</u>
Total comprehensive income for the financial year attributable to owners of:				
- the Company				
- from continuing operations	612,608	(59,020)	68,997	622,585
- from discontinuing operations	-	59,020	-	59,020
	<u>612,608</u>	<u>-</u>	<u>68,997</u>	<u>681,605</u>
- non-controlling interests	67,788	-	(311)	67,477
	<u>680,396</u>	<u>-</u>	<u>68,686</u>	<u>749,082</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)**2.45.4 Explanation of transition from FRSs to MFRSs and early adoption of MFRS 15 'Revenue from Contracts with Customers' (continued)****Reconciliation of profit or loss (continued)**

<u>2016</u>	<u>Previously stated under FRSs</u>	<u>Discontinuing operations (Note 2.14)</u>	<u>Effects of MFRS 15</u>	<u>Restated under MFRSs</u>
<u>Continuing operations</u>				
Revenue	3,073,561	(780,352)	297,528	2,590,737
Operating expenses	(2,547,710)	559,337	(174,435)	(2,162,808)
Other operating income	543,700	(3,889)	-	539,811
Other gains	5,384	-	-	5,384
Operating profit	1,074,935	(224,904)	123,093	973,124
Share of results of joint ventures	(19,053)	-	-	(19,053)
Share of results of associates	24,348	-	-	24,348
Profit before interest and taxation	1,080,230	(224,904)	123,093	978,419
Finance income	63,057	(44,714)	-	18,343
Finance costs	(46,111)	7,481	-	(38,630)
Profit before taxation	1,097,176	(262,137)	123,093	958,132
Taxation	(235,400)	55,222	(30,111)	(210,289)
Profit for the financial year from continuing operations	861,776	(206,915)	92,982	747,843
<u>Discontinuing operations</u>				
Profit for the financial year from discontinuing operations	-	206,915	-	206,915
Profit for the financial year	861,776	-	92,982	954,758
Profit for the financial year attributable to owners of:				
- the Company				
- from continuing operations	779,938	(124,149)	93,287	749,076
- from discontinuing operations	-	124,149	-	124,149
	779,938	-	93,287	873,225
- non-controlling interests	81,838	-	(305)	81,533
	861,776	-	92,982	954,758

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)**2.45.4 Explanation of transition from FRSs to MFRSs and early adoption of MFRS 15 'Revenue from Contracts with Customers' (continued)**Reconciliation of comprehensive income (continued)

<u>2016</u>	<u>Previously stated under FRSs</u>	<u>Discontinuing operations (Note 2.14)</u>	<u>Effects of MFRS 15</u>	<u>Restated under MFRSs</u>
Profit for the financial year	861,776	-	92,982	954,758
Other comprehensive (loss)/income				
<u>Continuing operations</u>				
<u>Items which will be subsequently reclassified to profit or loss (net of tax):</u>				
Currency translation differences	(108,476)	-	-	(108,476)
Available-for-sale financial assets:				
- net changes in fair value	(3,369)	-	-	(3,369)
Share of other comprehensive income of associates	555	-	-	555
	<u>(111,290)</u>	<u>-</u>	<u>-</u>	<u>(111,290)</u>
<u>Items which are reclassified to profit or loss (net of tax):</u>				
Currency translation differences				
- disposal of subsidiaries	(9,664)	-	-	(9,664)
- liquidation of subsidiaries	(5,110)	-	-	(5,110)
	<u>(14,774)</u>	<u>-</u>	<u>-</u>	<u>(14,774)</u>
Total other comprehensive loss	<u>(126,064)</u>	<u>-</u>	<u>-</u>	<u>(126,064)</u>
Total comprehensive income for the financial year	<u>735,712</u>	<u>-</u>	<u>92,982</u>	<u>828,694</u>
Total comprehensive income for the financial year attributable to owners of:				
- the Company				
- from continuing operations	655,861	(124,149)	93,287	624,999
- from discontinuing operations	-	124,149	-	124,149
	<u>655,861</u>	<u>-</u>	<u>93,287</u>	<u>749,148</u>
- non-controlling interests	79,851	-	(305)	79,546
	<u>735,712</u>	<u>-</u>	<u>92,982</u>	<u>828,694</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)

2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

2.45.4 Explanation of transition from FRSs to MFRSs and early adoption of MFRS 15 'Revenue from Contracts with Customers' (continued)

Reconciliation of financial position and equity

<u>At 1 July 2014</u>	<u>Previously stated under FRSs</u>	<u>Reclassification (Note 2.45.2)</u>	<u>Effects of MFRS 15</u>	<u>Restated under MFRSs</u>
Non-current assets	4,565,623	-	74,155	4,639,778
Current assets	4,635,792	-	(296,684)	4,339,108
Assets held for sale	138,262	-	-	138,262
TOTAL ASSETS	9,339,677	-	(222,529)	9,117,148
Share capital	1,001,696	-	-	1,001,696
Share premium	167,919	-	-	167,919
Contribution from immediate holding company	1,500,000	-	-	1,500,000
Reserves	(440,596)	546,937	-	106,341
Retained earnings	1,591,131	(546,937)	(336,343)	707,851
Equity attributable to owner of the Company	3,820,150	-	(336,343)	3,483,807
Non-controlling interests	39,843	-	(324)	39,519
TOTAL EQUITY	3,859,993	-	(336,667)	3,523,326
Non-current liabilities	3,882,373	-	114,138	3,996,511
Current liabilities	1,513,151	-	-	1,513,151
Liabilities associated with assets held for sale	84,160	-	-	84,160
TOTAL LIABILITIES	5,479,684	-	114,138	5,593,822
TOTAL EQUITY AND LIABILITIES	9,339,677	-	(222,529)	9,117,148

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15
(CONTINUED)**2.45.4 Explanation of transition from FRSs to MFRSs and early adoption of MFRS 15 'Revenue from Contracts with Customers' (continued)****Reconciliation of financial position and equity (continued)**

<u>At 30 June 2015</u>	<u>Previously stated under FRSs</u>	<u>Reclassification (Note 2.45.2)</u>	<u>Effects of MFRS 15</u>	<u>Restated under MFRSs</u>
Non-current assets	5,323,534	-	85,804	5,409,338
Current assets	5,990,432	-	(197,711)	5,792,721
Assets held for sale	133,710	-	-	133,710
TOTAL ASSETS	11,447,676	-	(111,907)	11,335,769
Share capital	1,004,741	-	-	1,004,741
Share premium	469,323	-	-	469,323
Contribution from immediate holding company	1,500,000	-	-	1,500,000
Reserves	(378,438)	546,937	-	168,499
Retained earnings	1,941,581	(546,937)	(267,346)	1,127,298
Equity attributable to owner of the Company	4,537,207	-	(267,346)	4,269,861
Non-controlling interests	106,376	-	(635)	105,741
TOTAL EQUITY	4,643,583	-	(267,981)	4,375,602
Non-current liabilities	4,581,398	-	156,074	4,737,472
Current liabilities	2,139,286	-	-	2,139,286
Liabilities associated with assets held for sale	83,409	-	-	83,409
TOTAL LIABILITIES	6,804,093	-	156,074	6,960,167
TOTAL EQUITY AND LIABILITIES	11,447,676	-	(111,907)	11,335,769

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)**2.45.4 Explanation of transition from FRSs to MFRSs and early adoption of MFRS 15 'Revenue from Contracts with Customers' (continued)****Reconciliation of financial position and equity (continued)**

<u>At 30 June 2016</u>	<u>Previously stated under FRSs</u>	<u>Reclassification (Note 2.45.2)</u>	<u>Effects of MFRS 15</u>	<u>Restated under MFRSs</u>
Non-current assets	6,421,679	-	57,188	6,478,867
Current assets	6,545,999	-	(71,894)	6,474,105
TOTAL ASSETS	12,967,678	-	(14,706)	12,952,972
Share capital	1,010,409	-	-	1,010,409
Share premium	1,030,493	-	-	1,030,493
Contribution from immediate holding company	1,500,000	-	-	1,500,000
Reserves	(523,266)	567,688	-	44,422
Retained earnings	2,490,280	(567,688)	(174,059)	1,748,533
Equity attributable to owner of the Company	5,507,916	-	(174,059)	5,333,857
Non-controlling interests	175,450	-	(940)	174,510
TOTAL EQUITY	5,683,366	-	(174,999)	5,508,367
Non-current liabilities	4,823,497	-	160,293	4,983,790
Current liabilities	2,460,815	-	-	2,460,815
TOTAL LIABILITIES	7,284,312	-	160,293	7,444,605
TOTAL EQUITY AND LIABILITIES	12,967,678	-	(14,706)	12,952,972

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15
(CONTINUED)**2.45.4 Explanation of transition from FRSs to MFRSs and early adoption of MFRS 15 'Revenue from Contracts with Customers' (continued)****Reconciliation of statements of cash flows**

30 June 2015	Previously stated under FRSs	Discontinuing operations (Note 2.14)	Effects of MFRS 15	Restated under MFRSs
<u>Cash flows from operating activities</u>				
Profit/ (loss) for the financial year from continuing operations	619,534	(98,367)	68,686	589,853
Depreciation of property, plant and equipment	44,715	(44)	-	44,671
Finance income	(44,004)	19,598	-	(24,406)
Finance costs	109,853	(5,025)	-	104,828
Tax expense	150,716	(26,777)	26,638	150,577
Others	(151,666)	-	-	(151,666)
	<u>729,148</u>	<u>(110,615)</u>	<u>95,324</u>	<u>713,857</u>
Changes in working capital:				
- inventories	(678,365)	-	(103,611)	(781,976)
- trade and other receivables	(161,641)	(19,269)	(141,990)	(322,900)
- contract assets	(610,803)	390,529	(64,252)	(284,526)
- trade and other payables	381,044	(39,406)	210,879	552,517
- provisions and contract liabilities	(7,481)	-	3,650	(3,831)
Net changes in working capital	<u>(1,077,246)</u>	<u>331,854</u>	<u>(95,324)</u>	<u>(840,716)</u>
Cash (used in)/generated from				
operations	(348,098)	221,239	-	(126,859)
Tax paid	(181,377)	8,212	-	(173,165)
Zakat paid	(1,000)	-	-	(1,000)
Dividends received from associates	9,000	-	-	9,000
Operating cash flows from/ (used in) continuing operations	(521,475)	229,451	-	(292,024)
Operating cash flows used in discontinuing operations	-	(229,451)	-	(229,451)
Net cash used in operating activities	<u>(521,475)</u>	<u>-</u>	<u>-</u>	<u>(521,475)</u>

14. ACCOUNTANTS' REPORT (Cont'd)

SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)**2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.45 FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15
(CONTINUED)

2.45.4 Explanation of transition from FRSs to MFRSs and early adoption of MFRS 15 'Revenue from Contracts with Customers' (continued)

Reconciliation of statements of cash flows (continued)

<u>30 June 2016</u>	<u>Previously stated under FRSs</u>	<u>Discontinuing operations (Note 2.14)</u>	<u>Effects of MFRS 15</u>	<u>Restated under MFRSs</u>
<u>Cash flows from operating activities</u>				
Profit/ (loss) for the financial year from continuing operations	861,776	(206,915)	92,982	747,843
Depreciation of property, plant and equipment	47,171	(88)	-	47,083
Finance income	(63,057)	44,714	-	(18,343)
Finance costs	46,111	(7,481)	-	38,630
Tax expense	235,400	(55,222)	30,111	210,289
Others	(479,787)	21,051	-	(458,736)
	<u>647,614</u>	<u>(203,941)</u>	<u>123,093</u>	<u>566,766</u>
<u>Changes in working capital:</u>				
- inventories	(836,452)	-	174,435	(662,017)
- trade and other receivables	291,465	510,014	(518,785)	282,694
- contract assets	(341,949)	220,481	218,533	97,065
- trade and other payables	265,045	(224,156)	-	40,889
- provisions and contract liabilities	(2,357)	-	2,724	367
Net changes in working capital	<u>(624,248)</u>	<u>506,339</u>	<u>(123,093)</u>	<u>(241,002)</u>
<u>Cash (used in)/generated from operations</u>				
operations	23,366	302,398	-	325,764
Tax paid	(144,899)	4,204	-	(140,695)
Zakat paid	(1,000)	-	-	(1,000)
Dividends received from associates	1,800	-	-	1,800
Operating cash flows from/ (used in) continuing operations	<u>(120,733)</u>	<u>306,602</u>	<u>-</u>	<u>185,869</u>
Operating cash flows used in discontinuing operations	-	(306,602)	-	(306,602)
Net cash used in operating activities	<u>(120,733)</u>	<u>-</u>	<u>-</u>	<u>(120,733)</u>

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.46 SIGNIFICANT EVENTS

(a) Disposal of subsidiaries

On 27 May 2016, the Group entered into agreements to dispose Sime Darby Property (Alexandra) Private Limited ("SDP Alexandra"), which owns the Sime Darby Business Centre and a subsidiary of the Group to Aster Investment Holding Pte Ltd for S\$82.6 million (equivalent to RM249.2 million). On 29 September 2016, all the outstanding conditions precedent for the agreements were fulfilled and the purchase consideration for the disposal of SDP Alexandra had been fully received.

On the same date, the Group signed a letter of undertaking to procure tenants within the Sime Darby Group (including subsidiaries of Sime Darby Berhad) to lease not less than 70% of the gross floor area of Sime Darby Business Centre for a period of 10 years commencing from 1 January 2019. A provision has been made in the financial statements for this obligation (Note 2.33).

Details of the assets, liabilities and net cash inflow arising from the disposal of the abovementioned subsidiary by the Group during the financial year ended 30 June 2017 are as follows:

	<u>At date of disposal</u>
Investment properties (Note 2.18)	59,956
Net current assets	<u>46,523</u>
Net assets disposed	106,479
Gain on disposal of subsidiary	130,359
Less: Net exchange gain included in the gain on disposal	<u>(6,382)</u>
Proceeds from disposal, net of transaction costs	230,456
Less: Cash and cash equivalents in subsidiary disposed	<u>(8,101)</u>
Net cash inflows from disposal of subsidiary	<u>222,355</u>

In the prior financial year, the transactions entered into were as follows:

- i. Sime Darby Real Estate Investment Trust 1 ("Trust 1") is a Private Fund incorporated in Singapore on 24 March 2016. On 31 March 2016, Sime Darby Property Singapore Limited ("SDPSL") had entered into Sales and Purchase Agreements ("SPA") with Aster Investment Holding Pte Ltd ("AIHPL"), a wholly owned subsidiary of Trust 1 incorporated on 28 March 2016, to effect the disposals of Sime Darby Property (Dunearn) Limited ("SDP Dunearn") and Sime Darby Property (Kilang) Limited ("SDP Kilang") to AIHPL.

<u>Name of subsidiary</u>	<u>Disposal consideration</u>	<u>Group's effective interest disposed</u> %
Sime Darby Property (Dunearn) Limited	SGD184.0 million (equivalent to RM535.7 million)	100.0
Sime Darby Property (Kilang) Limited	SGD22.3 million (equivalent to RM65.0 million)	100.0

The conditions precedent for these agreements were met and the effective date of disposal of these subsidiaries was on 24 May 2016.

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.46 SIGNIFICANT EVENTS (CONTINUED)

(a) Disposal of subsidiaries (continued)

- ii. Details of the assets, liabilities and net cash inflow arising from the disposal of the abovementioned subsidiaries by the Group during the financial year ended 30 June 2016 were as follows:

	At date of disposal
Investment properties (Note 2.18)	165,541
Net current assets disposed	1,686
Net current liabilities	<u>(15,900)</u>
Net assets disposed	151,327
Gain on disposal of subsidiaries	447,026
Less: Net exchange gain included in the gain on disposal	<u>(9,664)</u>
Proceeds from disposal, net of transaction costs	588,689
Less: Cash and cash equivalents in subsidiaries disposed	<u>(1,224)</u>
Net cash inflows from disposal of subsidiaries	<u>587,465</u>

(b) Termination of proposed transaction with Saizen Real Estate Investment Trust ("Saizen REIT") and acquisition of Japan Residential Assets Manager Limited ("JRAM")

On 15 August 2016, Sime Darby Property Singapore Limited ("SDPSL"), a wholly owned subsidiary of the Company, had entered into a framework agreement with Japan Residential Assets Manager Limited ("JRAM"), the manager of Saizen REIT, and Hastings Deering (Australia) Limited ("HDAL"), a fellow subsidiary of SDPSL, to set out the understanding and obligations of each party for the proposed acquisition of HDAL's industrial assets in Australia by Saizen REIT. Pursuant to the Framework Agreement, the Implementation Agreement shall be entered into by the relevant parties within the long-stop date of 31 March 2017.

On the same date, SDPSL had also entered a Share Purchase Agreement ("SPA") with JRAM to acquire 80% stake of JRAM for a purchase consideration of 80% of the net asset of JRAM and US\$1 million. SDPSL, upon signing the SPA, is also entitled to a call option to acquire the remaining 20% stake of JRAM at any time after 24 months from the completion of the industrial assets acquisition, with a consideration to be mutually agreed by SDPSL and JRAM.

On 10 October 2016, JRAM, Sime Darby Eastern Investments Pte Ltd ("SDEI"), SDPSL and Perpetual Corporate Trust Limited ("PCTL") had entered into an implementation agreement. The completion of the agreement is subject to the fulfilment of certain conditions precedent ("CPs") within a long-stop date of 31 March 2017 (which was extended from the initial long-stop date of 31 January 2017).

The abovementioned agreements were inter-conditional and would have been completed only upon the fulfilment of all the conditions precedent ("CPs") of the respective agreements. As of 31 March 2017, a termination agreement had been entered between JRAM, SDEI, SDPSL and PCTL to terminate the proposed transaction and acquisition, as CPs could not be fulfilled.

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.46 SIGNIFICANT EVENTS (CONTINUED)**(c) Disposal group – Sime Darby Property Selatan Sdn Bhd and its subsidiaries**

The disposal of Sime Darby Property Selatan and its subsidiaries is currently ongoing and is expected to be completed within the next twelve (12) months.

The assets and liabilities of Sime Darby Property Selatan Group have been presented as a disposal group held for sale as at 30 June 2017 in the financial statements in accordance with the criteria set out in MFRS 5 "Non-current Assets Held For Sale and Discontinued Operations" (Note 2.27).

(d) Planned disposal of a subsidiary

On 3 April 2017, the Company entered into a Share Sale Agreement ("SSA") to dispose of 5,069,670 shares, representing the entire share capital of Malaysia Land Development Company Berhad ("MLDC") for a total consideration of RM1. As of 30 June 2017, MLDC is in a net total liability position of RM74.1 million.

As of 31 March 2017, there was an existing outstanding shareholder's loan amounting to RM84.7 million which was granted by the Company to MLDC and the shareholder's loan that remains outstanding and payable by MLDC to the Company. Based on the SSA, the parties have agreed that the final settlement of shareholder's loan to be RM60.0 million, and the repayment of the remaining outstanding shareholder's loan of RM24.7 million shall be waived by the Company in its entirety.

The investment in MLDC has been presented as an asset held for sale as at 30 June 2017 in the financial statements in accordance with the criteria set out in MFRS 5 "Non-current Assets Held For Sale and Discontinued Operations" (Note 2.27). The transaction was completed on 19 September 2017.

(e) Disposal of investment in associate

On 31 July 2017, the Group entered into a share sale agreement with PNB Development Sdn Berhad ("PNBD" or "Purchaser") for the disposal of its entire 40% equity interest in Seriemas Development Sdn Berhad ("SDSB"), comprising one million (1,000,000) ordinary shares in SDSB ("Sale Shares") to PNBD for a total cash consideration of RM625 million.

The investment in associate has been presented as an asset held for sale as at 30 June 2017 in the financial statements in accordance with the criteria set out in MFRS 5 "Non-current Assets Held For Sale and Discontinued Operations" (Note 2.27). The transaction was completed on 29 September 2017.

14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.47 PROPOSED LISTING

On 27 February 2017, the Board of Directors of Sime Darby Berhad ("SDB") announced a proposal to create three separate and independent listed entities in the property, plantation and trading & logistics sectors on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities) ("the Proposal").

The Proposal involves the distribution of SDB's entire shareholding in the Company and Sime Darby Plantation Sdn Bhd ("SD Plantation") to shareholders of SDB. Upon the completion of the Proposal, the Company will be listed on the Main Market of Bursa Securities ("the Listing"). The completion of the Listing is subject to the approval of the Securities Commission, Bursa Securities and shareholders of SDB.

As part of the exercise, the following Pre-Listing Restructuring transactions, which are inter-conditional upon the Listing except for the acquisition of MVV land, will be undertaken to facilitate the Listing:

- Acquisition of about 1,880 acres (comprising 22 parcels of land) from SD Plantation for RM690 million ("MVV land"), which is not inter-conditional upon the Listing and was completed on 29 September 2017;
- Redemption of the entire RM1,405,496,300 Redeemable Preference Shares ("RPS") registered under Sime Darby Berhad is fully satisfied via the issuance of 1,405,496,300 new ordinary shares fully paid-up in the capital of the Company at RM1.00 per share to Sime Darby Berhad ("the Redemption"). Upon completion of the Redemption, the issued ordinary share capital ("the Ordinary Shares") of the Company is increased from RM1,000,000,000 to RM2,405,496,300.
- Settlement of intercompany loans and loans due to related companies after taking into consideration waiver of intercompany debt of RM159.9 million owed by a subsidiary of the Company to SDB, including payment for the purchase of MVV Land are converted into amounts due to SDB. A total of RM4,395.3 million of the intercompany loans including RM1,500,000,000 contribution from SDB as at 30 June 2017 are capitalised via issuance of 4,395.3 million new Ordinary Shares in the Company. Subsequently, the share capital of the Company is increased from RM2,405.5 million to RM6,800.8 million comprising 6,800.8 million ordinary shares of RM1.00 each.
- Following the completion of the capitalisation of intercompany loans and contribution from SDB, SDB will distribute its entire shareholding in the Company by way of dividend-in-specie to its entitled shareholders and SDB will cease to be the shareholder of the Company.

Upon completion of the above exercise, Sime Darby Property Berhad will be listed on Bursa Malaysia, which is targeted to take place by end November 2017.

In conjunction with the above Pre-Listing Restructuring, the following arrangements have been entered into by the Company:

- (1) Option agreements in respect of the MVV Land between Kumpulan Sime Darby Berhad ("KSDB") and the Company

On 25 August 2017, KSDB entered into several call option agreements with the Company pursuant to which the Company was granted an option to purchase the legal and beneficial ownership of and title to the parcel of lands totaling 8,793 acres located within the MVV development region at any time during the option period (i.e. 5 years (with an option to extend for another 3 years, to be mutually agreed by the parties) commencing from the date of the listing of and quotation for the entire enlarged issued share capital ("Listing Date") of the Company on the Main Market of Bursa Securities) at a purchase price to be determined by an agreed independent valuer ("MVV Option Agreements") subject to the terms and conditions of the MVV Option Agreements, which include, among others, the prior approval of shareholders of the party(s), if required by applicable law or rule of a stock exchange. The agreed independent valuer shall value the market value of the land on the basis prescribed in the agreement and using the methodology as it may determine.



14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.47 PROPOSED LISTING (CONTINUED)

In conjunction with the above Pre-Listing Restructuring, the following arrangements have been entered into by the Company: (continued)

(2) Option agreements in respect of certain lands between SD Plantation and the Company

On 25 August 2017, SD Plantation entered into the following call option agreements ("Land Option Agreements") with the Company pursuant to which the Company was granted call options to purchase the legal and beneficial ownership of and title to the following identified parcels of lands, at any time during the option period (i.e. 5 years (with an option to extend for another 3 years) commencing from the Listing Date of SD Property) at a purchase price to be determined by an agreed independent valuer subject to the terms and conditions of the respective agreements, which include, among others, the prior approval of shareholders of the party(s), if required by applicable law or rule of a stock exchange:

- 1,862 acres of land located within Kulai A estate and 3,186 acres within Kulai B estate in Johor;
- 2,000 acres of land located within Sepang estate in Selangor;
- 993 acres of land located within Sungai Kapar estate in Selangor;
- 2,000 acres of land located within West Estate, Carey Island, Jugra Kuala Langat in Selangor;
- 485 acres of land located within Lothian estate in Selangor;
- 864 acres of land located within Byram estate in Pulau Pinang;
- 268 acres of land located within Ainsdale West estate in Negeri Sembilan; and
- 148 acres of land located within Bukit Selarong estate in Kedah.

The agreed independent valuer shall value the land based on agricultural status with development potential, using the methodology as it may determine.

SD Plantation and the Company have further agreed that, after the acquisition of the abovementioned lands, if the Company intends to lease, rent or grant licences over any part of the lands for the purposes of oil palm planting and/or harvesting (and/or any agricultural venture), the Company agreed to first offer the same to SD Plantation for tenancy. If SD Plantation exercises its right to obtain a tenancy over such lands, the parties are bound to enter into a tenancy agreement in the form of the template tenancy agreement attached in the respective Land Option Agreements.

(3) Master services agreements between Sime Darby Global Services Centre Sdn Bhd ("SDGSC"), a wholly-owned subsidiary of SDB and the Company

SDGSC has provided certain centralised operational support and functional services to the Identified Entities in the ordinary course of business. Some of these services include the processing of account payables and receivables, book keeping services, human resource administration and payroll services, procurement services (sourcing and vendor registration), corporate card services as well as information technology services (such as server hosting). SDGSC had on 25 August 2017 entered into separate master services agreements with the Company ("Master Services Agreements") to continue to provide such shared services for a period of 3 years commencing from the Listing Date. In consideration of the services performed under the Master Services Agreements, the Company shall each pay an annual fee to SDGSC which shall be in accordance with the specific scope of services provided to the Company. The fee is subject to annual review and determined after taking into account, among others, the recoverability of the services cost, cost to maintain the relevant systems and changes to the scope of services.



14. ACCOUNTANTS' REPORT (Cont'd)

**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.47 PROPOSED LISTING (CONTINUED)

In conjunction with the above Pre-Listing Restructuring, the following arrangements have been entered into by the Company: (continued)

- (4) Trademark and brand licence agreements between Sime Darby Malaysia Berhad ("SD Malaysia"), a wholly-owned subsidiary of SDB, the Company and Yayasan Sime Darby ("Foundation"), a company limited by guarantee founded by SDB

On 25 August 2017, SD Malaysia (as licensor) and the Foundation (licensee) entered into a trade mark and brand licence agreement ("Trademark and Brand Licence Agreement"). Pursuant to the Trademark and Brand Licence Agreement, SD Malaysia granted the Foundation a non-exclusive, non-assignable and non-transferable licence to use the "SIME DARBY" mark, Sime Darby Shield Device Logo, Shield Device Logo, Sime Darby in Chinese Characters, the "DEVELOPING SUSTAINABLE FUTURES" tagline and "DELIVERING SUSTAINABLE FUTURES" tagline worldwide (collectively "Trademarks"), solely in the course of or in connection with the activities carried out by the Foundation to further the charitable intent established by the governing council of the Foundation. The licence to use the Trademarks is therefore fixed at a nominal consideration of RM1.00.

The Trademark and Brand Licence Agreement is effective from the Listing Date and shall, unless terminated earlier, continue for a period of 5 years from the effective date ("Term"). Upon the expiry of the Term, the Foundation shall have the option to renew the term of the agreement for a further period as the parties may agree upon by giving notice of no later than 6 months prior to the end of the Term subject to the approval of SD Malaysia.

The Company (each as a licensee) also intends to enter into similar trade mark and brand licence agreements with SD Malaysia (as licensor) for the licence of the Trademarks at an annual licence royalty of RM2 million after taking into account the cost reasonably expected to be incurred to maintain the Trademarks. These agreements will also be for a term of 5 years commencing from the Listing Date of the Company unless terminated earlier and can be renewed for a further period as the parties may agree upon, subject to the approval of SD Malaysia.

- (5) YSD donation agreements between the Company and the Foundation

The Foundation had on 25 August 2017 entered into separate donation agreements with SDB, SD Plantation and the Company ("YSD Donation Agreements"). Pursuant to the YSD Donation Agreements, the Company is to make the annual cash donation of RM20 million to the Foundation for a term of 5 years with effect from the Listing Date (unless extended by mutual agreement of the parties).



14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Amounts in RM'000 unless otherwise stated

2.47 PROPOSED LISTING (CONTINUED)

In conjunction with the above Pre-Listing Restructuring, the following arrangements have been entered into by the Company: (continued)

- (6) Broker services agreements between Sime Darby Lockton Insurance Brokers Sdn Bhd ("SD Lockton Insurance Brokers"), a subsidiary of Sime Darby and the Company

SD Lockton Insurance Brokers had on 25 August 2017 entered into separate broker services agreements ("Broker Service Agreements") with the Company where under the agreement, the Company may procure from SD Lockton Insurance Brokers certain services including but not limited to recommending and advising them on subscription to the appropriate insurance and/or takaful policies for their respective businesses and act as an intermediary between the Company and the insurance and/or takaful company for a term of 3 years commencing from the Listing Date (with the Company having an option to renew the agreement for a further period that the parties mutually agree) subject to the terms and conditions of the Broker Services Agreements.

Any fee payable to SD Lockton Insurance Brokers will depend on the insurance policies procured by the Company through SD Lockton Insurance Brokers.

14. ACCOUNTANTS' REPORT (Cont'd)**SIME DARBY PROPERTY BERHAD (15631-P)
(Incorporated in Malaysia)****STATEMENT BY DIRECTORS**

We, Dato' Sri Amrin Awaluddin and Datuk Tong Poh Keow, two of the Directors of Sime Darby Property Berhad (the "Company"), state that, in the opinion of the Directors, the consolidated financial statements set out on pages 4 to 160 are drawn up so as to give a true and fair view of the financial position of the Company and its subsidiaries (the "Group") as at 1 July 2014, 30 June 2015, 30 June 2016 and 30 June 2017 and of its financial performance and cash flows for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and Chapter 13, Division 1 - Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

Signed on behalf of the Board of Directors of Sime Darby Property Berhad and dated on 20 November 2017.



DATO' SRI AMRIN AWALUDDIN
MANAGING DIRECTOR



DATUK TONG POH KEOW
DIRECTOR

15. DIRECTORS' REPORT



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47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Date: 20 November 2017

The Shareholders
Sime Darby Property Berhad

Sirs:

On behalf of the Board of Directors of Sime Darby Property Berhad ("**SD Property**"), we wish to report after due inquiry that during the period from 30 June 2017 (being the date to which the last audited consolidated financial statements of SD Property have been made up) to the date of this letter (being a date not earlier than 14 days before the issue of this Prospectus):

- (a) the business of SD Property and its subsidiaries ("**SD Property Group**") have, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited consolidated financial statements of SD Property which have adversely affected the trading or the values of the assets of the SD Property Group;
- (c) the current assets of the SD Property Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities by reason of any guarantees or indemnities given by the SD Property Group;
- (e) there has been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings since the last audited consolidated financial statements of SD Property; and
- (f) save as disclosed in Section 13.2.6(viii) of this Prospectus, there has been no material change in the published reserves or any unusual factors affecting the profits of the SD Property Group since the last audited consolidated financial statements of SD Property.

Yours faithfully,
For and on behalf of the Board of Directors of
SIME DARBY PROPERTY BERHAD

Datuk Tong Poh Keow
Director

16. ADDITIONAL INFORMATION

16.1 SHARE CAPITAL

- (i) No securities will be allotted or issued on the basis of this Prospectus later than 12 months after the date of the issue of this Prospectus.
- (ii) As at the date of this Prospectus, we have only 1 class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in Sections 4.1 and 6.1.2 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the 2 years immediately preceding the date of this Prospectus.
- (iv) As at the date of this Prospectus, we have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.
- (v) As at the date of this Prospectus, neither our Company nor any of our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.
- (vi) As at the date of this Prospectus, there is no other scheme involving our Directors and employees in the share capital of our Company or any of our subsidiaries.
- (vii) Save as disclosed in Section 16.2 of this Prospectus, and save as provided under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in our Company or any of our subsidiaries or upon the declaration or payment of any dividend or distribution.

16.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution and are qualified in its entirety by the provisions of our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions will bear the same meanings used in our Constitution unless they are otherwise defined or the context otherwise requires.

Words	Meaning
"Act"	means the Companies Act 2016 and any statutory modification, amendment or re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company
"Alternate Director"	means any person who has been appointed and for the time being holds office as an alternate director of the Company in accordance with the provisions of the Constitution
"Board"	means the board of Directors of the Company who number not less than the required quorum acting as a board of directors, and if the Company only has 1 Director, then that Director
"CD Rules"	means the Rules of the Central Depository
"Central Depositories Act"	means the Securities Industry (Central Depositories) Act 1991 and every statutory amendment, modification or re-enactment thereof for the time being in force

16. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
"Central Depository"	means Bursa Malaysia Depository Sdn Bhd and its successors in title and permitted assigns
"Company"	Sime Darby Property Berhad
"Constitution"	means the Constitution as originally framed or as altered from time to time by Special Resolution
"Deposited Securities"	means Securities standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense
"Depositor"	means a holder of a Securities Account
"Director"	means a person who has been appointed and for the time being holds office as a director of the Company in accordance with the provisions of the Act and the Constitution and, unless the context otherwise provides or requires, includes an Alternate Director
"Listed"	means admitted to the Official List and "listing" shall be construed accordingly
"Listing Requirements"	means the Main Market Listing Requirements of Bursa Malaysia Securities Berhad including any amendment or modification to the same that may be made from time to time
"Market Day"	means any day between Mondays to Fridays which is not a market holiday of the Stock Exchange or a public holiday
"Member"	means any person for the time being registered as the holder of shares in the share capital of the Company in the Register of Members (except Bursa Malaysia Depository Sdn Bhd in its capacity as bare trustee) and any Depositor whose name appears in the Record of Depositors and who has a credit balance of shares in the Company in his or her Securities Account who shall be treated as if he were a Member pursuant to Section 35 of the Central Depositories Act
"Ordinary Resolution"	shall have the meaning ascribed to it in Section 291 of the Act
"Record of Depositors"	means a record provided by the Central Depository to the Company pursuant to an application under Chapter 24.0 of the CD Rules
"Register of Members"	means the register of members to be kept pursuant to the Act
"Rule"	means a Rule contained in the Constitution
"Securities"	means securities as defined in Section 2 of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force

16. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
"Securities Account"	means an account established by the Central Depository for a Depositor for the recording of deposits of Securities and for dealing in such Securities by the Depositor as defined in the Central Depositories Act and/or the CD Rules
"Special Resolution"	shall have the meaning ascribed to it in Section 292 of the Act
"Stock Exchange"	means Bursa Malaysia Securities Berhad and its successors in title and permitted assigns

(i) Transfer of shares**Rule 30 – No restriction on transfer of fully paid-up Listed Securities**

Subject to the Constitution, the CD Rules and except as may be required by law, there shall be no restriction on the transfer of fully paid-up Listed Securities in the Company.

Rule 31 – Transfer of Securities

The transfers of any Listed Securities or class of Listed Securities in the Company shall be by way of book entry by the Central Depository in accordance with the CD Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Subsection 148(2) of the Act and any exemptions that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Securities.

Rule 32 – Refusal to register

The Central Depository may refuse to register any transfer of Deposited Securities if it does not comply with the Central Depositories Act or the CD Rules.

Rule 33 – Company and Directors not liable if transfer of Securities inoperative due to fraud

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of Listed Securities although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the Listed Securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside. In every such case, the person registered as transferee, his executors, administrators and assignees, subject to compliance with the Act, the Central Depositories Act and the CD Rules, alone shall be entitled to be recognised as the holder of such Listed Securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

16. ADDITIONAL INFORMATION (Cont'd)**Rule 34 – Suspension of registration of transfers**

Registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine but so that no part of the Register of Members shall be closed for more than thirty (30) days in the aggregate in any calendar year. Ten (10) Market Days' (or such other minimum period as may be prescribed by the Stock Exchange) notice of intention of such suspension or of any books closing date shall be published in a daily newspaper circulating in Malaysia and notice in writing shall also be given to the Stock Exchange. The said notice shall state the purpose or purposes for the suspension or books closing. In relation to the suspension or books closing, the Company shall give written notice to the Central Depository to issue the appropriate Record of Depositors in accordance with the Central Depositories Act and the CD Rules within such time as is required by the Central Depository to enable the Central Depository to issue the relevant Record of Depositors.

Rule 35

The transfer of Securities other than Listed Securities shall be in accordance with the Act.

(ii) Transmission of shares**Rule 36 – Death of holder of shares**

In case of the death of a Member or debenture holder, the persons recognised as having any title to his interest in the shares or debentures shall be:

- 36.1. where the deceased was a sole holder, the legal personal representatives; and
- 36.2. where the deceased was a joint holder, the survivor,

but nothing in the Rule shall release the estate of the deceased joint holder from any liability in respect of any share or debenture which had been jointly held by him with other persons.

Rule 37 – Right of election by holders of shares or debentures

A person to whom the right to shares or debentures are transmitted by operation of law may elect –

- 37.1. to be registered as a shareholder or debenture holder in respect of the shares or debentures by written notice to the Company and to the Central Depository; or
- 37.2. to have another person registered as a shareholder or debenture holder in respect of the shares or debentures and testify such election by executing to that person a transfer of those shares or debentures, as the case may be.

Rule 38

All limitations, restrictions and provisions of the Constitution, the CD Rules, the Act and the Listing Requirements in relation to the right to transfer and the registration of transfers of shares and debentures shall apply to any notice or transfer of shares or debentures as if the death or bankruptcy of the shareholder or debenture holder had not occurred and the notice or transfer were signed by that shareholder or debenture holder.

16. ADDITIONAL INFORMATION (Cont'd)

Rule 39 – Sufficient evidence of grant to a person

Any document which is by law sufficient evidence of probate of the will or letters of administration of the estate of a deceased person having been granted to a person shall be accepted by the Company as sufficient evidence of the grant.

Rule 40 – Period for registration

Subject to the provisions of the Constitution, the CD Rules, the Act and the Listing Requirements, the Company shall register the person as a shareholder or debenture holder of the Company within sixty (60) days from receiving the notification.

Rule 41 – Effect of transmission

The registration of a transmission of shares or debenture under the Constitution shall entitle the registered holder to the same dividends and other advantages and to the same rights in relation to meetings of the Company or to voting or otherwise.

(iii) Remuneration of Directors**Rule 92 – Fees and benefits of Directors**

92.1. The fees and benefits payable to Directors shall be subject to annual shareholder approval at a general meeting and shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting. The Directors may also be reimbursed for all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of directors or general meetings of the Company or in connection with the business of the Company.

92.2. Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or percentage of turnover.

92.3. An Alternate Director shall not be entitled to receive any fees, compensation or benefits other than out of the fees and benefits of the Director who appointed him.

Rule 93 - Extra fees and benefits for performing special services

Subject to Rule 92, any Director who by request of the Board serves on any committee or performs special services for any purposes of the Company may be paid such extra fees and benefits (subject to any other provisions of the Constitution) as the Board may determine.

16. ADDITIONAL INFORMATION (Cont'd)**Rule 104 – Power to establish and maintain pensions and funds**

The Directors may establish and maintain or provide or procure the establishment and maintenance of any non-contributory or contributory pension, provident or superannuation funds or other pension funds or such other funds as the Board of Directors may deem fit and to make or establish such arrangements or schemes for the benefit of and to give or procure the giving of donations, gratuities, pensions, allowances, emoluments or other moneys to or for the benefit of any persons who are or were at any time in the employment or service of the Company or its predecessors in business or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such other company, as the Company deems fit, or who are or were at any time Directors or officers of the Company or of any other company as aforesaid and holding or who held any salaried employment or office in the Company or such predecessors or other company and the wives, widows, families and dependants of any such persons, and make payments for or towards the insurance of any such persons as aforesaid, and may do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid. Subject always, if the Act shall so require, to particulars with respect thereto being disclosed to the Members and to the proposal being approved by the Company by Ordinary Resolution, a Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument. A Director may be counted in the quorum present at a meeting upon the consideration of a motion in respect of any matter referred to in this Rule but may not vote as a Director upon any resolution in respect of any such matter if he is personally interested in such matter.

(iv) Voting and borrowing powers of Directors**Rule 107 – Directors' borrowing powers**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities. The Directors shall restrict the borrowings of the Company and exercise all rights exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that, save with the previous sanction of the Company, by Ordinary Resolution, no money shall be borrowed if the aggregate principal amount outstanding (including any premium payable on final repayment) of all money borrowed by the group (which expression means the Company and its subsidiaries for the time being) and for the time being owing to persons outside the group then exceeds or would, as a result of such borrowing, exceed an amount equal to three (3) times the aggregate of -

- (a) the amount paid up on the issued share capital of the Company; and
- (b) the total of the capital and revenue reserves of the Company and its subsidiaries (including any credit balance on the consolidated profit and loss account) but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiaries and deducting any debit balance on the consolidated profit and loss account,

all as shown in the then latest audited consolidated balance sheet of the Company and its subsidiaries but adjusted as may be necessary in respect of -

- (a) all subsidiaries which were not dealt with by or which have been acquired since the date of such balance sheet; and
- (b) all variations in the paid-up share capital of the Company since the date of such balance sheet.

16. ADDITIONAL INFORMATION (Cont'd)

For the purposes of the foregoing –

- (i) the amount outstanding in respect of acceptances by the Company or by any subsidiary of the Company or by any bank or acceptance house under any acceptance credit opened on behalf of the Company or any subsidiary of the Company (not being acceptances in relation to the purchase or sale of goods in the ordinary course of business) shall be taken into account as monies borrowed;
- (ii) monies borrowed for the purpose of repaying the whole or any part of any monies previously borrowed and then outstanding (including any premium payable on final repayment thereof) and applied for that purpose within six (6) months of such borrowing shall not, pending such application, be taken into account as monies borrowed;
- (iii) the principal amount (including any premium payable on final repayment) of any debentures issued for a consideration other than cash shall be taken into account as monies borrowed by the Company issuing the same;
- (iv) monies borrowed by a partly owned subsidiary and not owing to another Member of the group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion; monies borrowed from and owing to a partly owned subsidiary by another Member of the group shall be taken into account to the extent of a proportion thereof equal to the minority proportion of the lender, subject to the exclusion of a proportion thereof equal to the minority proportion (if any) of the borrower; in this sub-paragraph (iv), “minority proportion” shall mean the proportion of the issued equity share capital of the partly owned subsidiary which is not attributable to the Company;
- (v) notwithstanding the provisions of sub-paragraph (iv), there shall be deemed to have been borrowed and to be outstanding as borrowed monies of the relevant Member of the group (to the extent that the same would not otherwise fall to be taken into account) the principal amount of any monies borrowed from persons outside the group by a partly owned subsidiary the repayment whereof is guaranteed or wholly or partly secured by any Member of the group.

No debt incurred or security given in respect of monies borrowed or to be taken into account as monies borrowed in excess of the aforesaid limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded, but no lender or other person dealing with the Company shall be concerned to inquire whether such limit is observed.

The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertakings or property or any uncalled capital or issue debentures or other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Rule 75 – Chairman of General Meeting

The chairman (if any) of the Board or in his absence the deputy chairman of the Board shall preside as chairman at every general meeting of the Company. If there is no such chairman or deputy chairman or if at any meeting the chairman or the deputy chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the meeting shall choose one Director to be chairman, and if no Director is present or if all the Directors present decline to take the chair, the meeting shall choose one Member present to be chairman.

16. ADDITIONAL INFORMATION (Cont'd)

Rule 96

- 96.1. Subject to the Act and the Listing Requirements, no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, but the nature and extent of his interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he became so interested or, in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested; provided, nevertheless, that, subject to any other provisions of the Constitution, a Director shall not as a Director vote in respect of any contract, proposed contract or arrangement in which he has, directly or indirectly, an interest and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at a meeting upon the consideration of a motion concerning any such contract or arrangement.
- 96.2. A general notice in writing, which complies with Section 221(4) and (5) of the Act, given to the Directors by any Director shall be deemed to be sufficient declaration of interest in relation to the subject matter of the notice.

Rule 97 – Contracts or arrangements which Directors are interested

Subject to sub-Rule 96.1, and the Listing Requirements, any Director may continue to be or become a director, managing director, manager or other officer or member of any other corporation in which the Company may be interested, and no such Director shall be accountable for any fees or other benefits received by him as a director, managing director, manager or other officer or member of any such other corporation. The Directors may exercise the voting power conferred by the shares in any other corporation held or owned by the Company, or exercisable by them as directors of such other corporation, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as directors, managing directors, managers or other officers of such corporation, or providing for the payment of fees and benefits to the directors, managing directors, managers or other officers of such corporation), and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or be about to be, appointed a director, managing director, manager or other officer of such other corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid, provided always that no Director shall vote (or be counted in the quorum) in respect of a resolution concerning his own appointment in this Company.

Rule 130

Subject to the provisions under Section 222(2) of the Act, a Director who has an interest in the manner set out in Section 221 of the Act in a contract or proposed contract with the Company –

- 130.1 shall be counted only to make the quorum at the meeting of the Board;

16. ADDITIONAL INFORMATION (Cont'd)

130.2 shall not participate in any discussion while the contract or proposed contract is being considered at the meeting; and

130.3 shall not vote on the contract or proposed contract, and if so votes, his vote shall not be counted.

(v) Changes in capital and variation of class rights**Rule 8 – Preference shares**

8.1 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued, any shares in the Company (whether forming part of the original capital or not) may be issued with or have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, provided that the holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and audited accounts and attending general meetings of the Company but shall only have the right to vote in each of the following circumstances:-

- (a) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
- (b) on a proposal to reduce the Company's share capital;
- (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- (d) on a proposal that affects rights attached to the share;
- (e) on a proposal to wind up the Company; and
- (f) during the winding-up of the Company.

8.2 Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.

8.3 The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholder rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned, provided always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.

Rule 10 – Authority of Directors to allot shares

10.1. Subject to the provisions of the Act, Listing Requirements and the Constitution, the Directors may issue shares in the Company on such terms and conditions and at such time and consideration and with such preferred, deferred, or other special rights, restrictions or exclusions, whether in regard to dividend, voting, return of capital, or otherwise as the Directors may determine PROVIDED HOWEVER that

- (a) shares in the Company shall not be issued to transfer a controlling interest in the Company without the prior approval of shareholders in general meeting;

16. ADDITIONAL INFORMATION (Cont'd)

- (b) In the case of shares other than ordinary shares, no special rights shall be attached until the same has been expressed in the Constitution.

The exercise of the aforesaid rights shall be without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares.

10.2. Subject to sub-Rule 10.3, the Directors shall not exercise any power to –

- (a) allot shares in the Company;
- (b) grant rights to subscribe for shares in the Company;
- (c) convert any securities into shares in the Company; or
- (d) allot shares under an agreement or option or offer,

unless the prior approval by way of Ordinary Resolution has been obtained.

10.3. Subject to the provisions of the Act, Listing Requirements and the Constitution, the requirement in sub-Rule 10.2 shall not apply to -

- (a) an allotment of shares or grant of rights pursuant to an offer made to Members of the Company in proportion to the Members' shareholdings;
- (b) an allotment of shares or grant of rights pursuant to a bonus issue of shares to Members of the Company in proportion to the Members' shareholdings;
- (c) an allotment of shares to a promoter of the Company that the promoter has agreed to take; or
- (d) shares which are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company and the Members of the Company have been notified of the intention to issue the shares at least fourteen (14) days before the issue of the shares.

10.4. For the purposes of sub-Rule 10.3(d), Members of the Company are deemed to have been notified of the Company's intention to issue shares if –

- (a) a copy of the statement explaining the purpose of the intended issue of shares has been sent to every Member at his last known address according to the Record of Depositors; and
- (b) the copy of the statement has been advertised in one (1) widely circulated newspaper in Malaysia in the national language and one (1) widely circulated newspaper in Malaysia in the English language.

Rule 61 and 62 – Variation of shareholders' rights

61. Subject to sub-Rule 8.3, if the share capital is divided into different classes of shares, the rights attached to any class may be varied by a written consent representing not less than seventy five per centum (75%) of the total voting rights of the shareholders in that class, or by a Special Resolution passed by shareholders in that class sanctioning the variation.

16. ADDITIONAL INFORMATION (Cont'd)

62. For the purposes of Rule 61 –
- 62.1. any amendment of a provision contained in the Constitution for the variation of the rights attached to a class of shares or the rights of a class of Members, or the insertion of any such provision into the Constitution, is itself to be treated as a variation of those rights;
 - 62.2. references to the variation of rights attached to a class of shares or the rights of a class of Members include an abrogation of those rights; and
 - 62.3. the issue by the Company of any preference shares ranking equally with existing preference shares issued by the Company shall be deemed to be a variation of the rights attached to those existing preference shares unless the issue of preference shares was authorised by the terms of issue of the existing preference shares or by the Constitution in force at the time the existing preference shares were issued.

16.3 LIMITATION ON THE RIGHT TO HOLD SHARES AND/OR EXERCISE VOTING RIGHTS

As our Shares are proposed for quotation on the Official List of the Main Market of Bursa Securities, such Shares must be prescribed as securities required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

Subject to the above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights on our Shares, which is imposed by Malaysian law or by the constituent documents of our Company.

16.4 GENERAL INFORMATION

- (i) The nature of our business has been disclosed in Section 7 of this Prospectus.
- (ii) Save for the companies within our Group as disclosed in Section 6 of this Prospectus, our Company has not established any other place of business outside Malaysia.
- (iii) Apart from the listing sought on the Main Market of Bursa Securities, our Company is not listed on any other stock exchange.

16. ADDITIONAL INFORMATION (Cont'd)

- (iv) No commissions, discounts, brokerages or other special terms have been paid or is payable by our Company within the 2 years immediately preceding the date of this Prospectus for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in or debentures of our Company and in connection with the issue or sale of any capital of our Company, and no Director or Promoter or expert is or are entitled to receive any such payment or any other benefits.
- (v) During the last financial year and up to the date of this Prospectus, there were no:
 - (a) public take-over offers by third parties in respect of our Shares; and
 - (b) public take-over offers by our Company in respect of other companies' shares.
- (vi) Save as disclosed in Section 10.3 of this Prospectus, there is no person, so far as known to us, who directly or indirectly, jointly or severally, exercise control over us.
- (vii) Save as disclosed in Annexure D of this Prospectus, as at the LPD, there are no governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits of our material foreign subsidiaries, associates and joint ventures by or to us.

16.5 MATERIAL LITIGATION

Save for the material litigation disclosed below, which as at the LPD, are not expected to have any material impact on the financial position or operations of our Group, we are not engaged in any material litigation, claims or arbitrations, whether as plaintiff or defendant, and our Directors confirm that there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial or business position of our Group.

- (i) On 26 June 2015, SD Property (Klang) was awarded an aggregate compensation of RM169,296,852.60 ("**First Compensation Award**") by the land administrator ("**Land Administrator**") in respect of the acquisition by Lembaga Lebuhraya Malaysia/ West Coast Expressway (collectively "**Acquiring Authority**") of the lands owned by SD Property (Klang) held under Geran 46056 Lot 5646, Geran 46057 Lot 5648, Geran 24130 Lot 24 (23241), Geran 24132 Lot 25(23242), Geran 47244 Lot 37 (50418), Geran 33603 Lot 38 (50416) and Geran 278974 Lot 23235, all situated in Mukim Kapar, District of Klang, Selangor (collectively "**Lands**") for the construction of the West Coast Expressway project. The First Compensation Award was made up of the aggregate market value of the Lands of RM90,738,180 and the aggregate severance or injurious affection of the Lands of RM78,558,672.60 ("**Severance or Injurious Affection Award**").

The Acquiring Authority and SD Property (Klang), respectively lodged their objections to the Severance or Injurious Affection Award to the High Court of Malaya ("**High Court**" or "**Court**").

In respect of the SD Property (Klang)'s objection, the High Court held, on 22 March 2017, among other things, that the reasonable and proper value of the award for severance or injurious affection of the Lands to be given to SD Property (Klang) was RM72,926,705.88 as opposed to the Severance or Injurious Affection Award of RM78,558,672.60 ("**High Court Decision**").

16. ADDITIONAL INFORMATION (Cont'd)

In respect of the Acquiring Authority's objection, the Acquiring Authority filed a notice of appeal on 20 April 2017 against the High Court Decision. At the case management of the Acquiring Authority's appeal on 15 August 2017, the Court of Appeal had remitted Acquiring Authority's appeal to the High Court to be heard before a different High Court Judge.

On 29 August 2017, the new High Court Judge directed the Acquiring Authority and the Land Administrator to prepare and file their written submissions by 8 September 2017 on the preliminary issue of whether the Acquiring Authority's objection ought to be remitted to the High Court of Malaya to be re-heard or otherwise. On 12 September 2017, the new High Court Judge reserved his decision on this preliminary issue and instead, directed that the Acquiring Authority's objection be re-heard before his Lordship ("**Re-hearing of the Acquiring Authority's Objection**") where a further case management was fixed on 11 October 2017 for the Acquiring Authority and the Land Administrator to file their valuation reports respectively.

On 11 October 2017, the solicitors of SD Property (Klang) informed the Senior Assistant Registrar of the High Court that although SD Property (Klang) and the Acquiring Authority's respective objections were heard together, they were never formally consolidated and thus sought the Court's directions on SD Property (Klang)'s status and/or involvement vis-à-vis the Acquiring Authority's objection, which is to be re-heard before the new High Court Judge. The Senior Assistant Registrar then fixed a case management on 22 November 2017 for parties to obtain the new High Court Judge's directions, in respect of this issue.

As at the LPD, of the RM78,558,672.60 aggregate Severance or Injurious Affection Award, only RM57,396,566.03 has been recognised in the accounts of SD Property Group. As such, no specific provision has been made in relation to the above.

SD Property (Klang) has engaged its solicitors to evaluate its options in respect of the Re-hearing of the Acquiring Authority's Objection. The solicitors are of the view that there is an even chance that the new High Court Judge could come to a similar decision as the earlier High Court Judge at the re-hearing.

- (ii) On 7 March 2016, SD Property (Klang) was awarded an aggregate compensation of RM47,519,953.80 ("**Second Compensation Award**") by the land administrator ("**Land Administrator**") in respect of the acquisition by the Lembaga Lebuhraya Malaysia/ West Coast Expressway (collectively, "**Acquiring Authority**") of the land owned by SD Property (Klang) held under Geran 46057 Lot 5647 situated in Mukim Kapar, District of Klang, Selangor ("**Land**") for the construction of the West Coast Expressway project. The Second Compensation Award was made up of the market value of the Land of RM20,811,043 and the severance or injurious affection of the Land of RM26,708,910.80 ("**Severance or Injurious Affection Award**").

SD Property (Klang) and the Acquiring Authority lodged their objections to the High Court of Malaya against the Severance or Injurious Affection Award and the Second Compensation Award respectively. SD Property (Klang) and the Land Administrator have exchanged written submissions on 31 October 2017. The High Court of Malaya has also fixed SD Property (Klang) and the Acquiring Authority respective objections for hearing on 4 December 2017. As at the LPD, of the RM26,708,910.80 Severance or Injurious Affection Award, only RM20,768,916.59 has been recognised in the accounts of SD Property Group. As such, no specific provision has been made in relation to the above.

The solicitors of SD Property (Klang) are of the view that based on the High Court Decision in respect of the First Compensation Award set out in Section 16.5(i) above which could be used as a precedent, there is a possibility that there may be a slight reduction made by the High Court of Malaya to the Second Compensation Award.

16. ADDITIONAL INFORMATION (Cont'd)

- (iii) A civil suit has been commenced by 72 purchasers of the properties developed by SD Ara Damansara within the property development project known as the Ara Hill (“**Plaintiffs**”) against SD Ara Damansara, claiming, among other things, both general damages and specific damages of RM39,834,441 and specific performance arising from SD Ara Damansara’s alleged breaches of the terms of sale and purchase agreements and the provisions of various statutes like the Uniform Building By-Laws 1984 and the Street, Drainage and Building Act 1974. The Plaintiffs have also referred to other statutes such as Town and Country Planning Act 1976, Strata Title Act 1985, Electric Supply Act 1990, Housing Development (Control and Licensing) Act 1966, National Land Code 1960, and Building and Common Property (Management & Maintenance) Act 2007 in their Statement of Claim dated 8 October 2015.

The Plaintiffs claimed that the alleged breaches by SD Ara Damansara of the terms of sale and purchase agreements and the provisions of the abovementioned statutes have, amongst others, caused the delay in delivery of strata titles and resulted in the construction of sub-standard common facilities and various infrastructures which caused the Plaintiffs to suffer loss and damage, including indirect losses (which have not been proven by the Plaintiffs).

The dispute was referred to mediation. However, the parties did not reach a global settlement. On 10 October 2017, the High Court has adjourned the trial dates which were previously fixed on 14-16, 20-23, 28-30 November 2017 and 4-6 December 2017 to 10-11, 16-19 April 2018 and 7-10 May 2018. The matter has also been fixed for case management on 4 December 2017.

The Plaintiffs’ claim is divided into various allegations levelled against SD Ara Damansara and in respect thereof, the solicitors of SD Ara Damansara are of the view that SD Ara Damansara has a good chance in resisting some of the allegations and an even chance on other allegations.

For the avoidance of doubt, SD Ara Damansara has rejected and refuted the claims and allegations by the Plaintiffs. These claims and allegations have also yet to be proven by the Plaintiffs. Accordingly, it would be speculative, at this juncture, to ascertain SD Ara Damansara’s potential liability to the Plaintiffs pursuant to this civil suit. As such, no specific provision or contingent liabilities has been made in relation to the above.

16.6 MATERIAL CONTRACTS

Save as disclosed below as well as the Trademark and Brand Licence Agreement and Donation Agreement as disclosed in Sections 7.22 and 4.1.2(vi) of this Prospectus respectively, we have not entered into any material contracts that are not in the ordinary course of business during the 2 years immediately preceding the date of this Prospectus:

(i) Land Option Agreements

Our Company had, on 25 August 2017, entered into 9 call option agreements with SD Plantation where our Company was granted call options by SD Plantation to purchase the legal and beneficial ownership of and title to the following 9 parcels of land respectively, at any time during the Option Period at a purchase price to be determined by the board of directors of the parties based on valuation to be conducted by an agreed independent valuer, subject to the terms and conditions of the respective agreements, which include the prior approval of shareholders of the party(s), if required by applicable law or rule of a stock exchange:

- (a) 1,862 acres of land located within Kulai A estate in Johor;

16. ADDITIONAL INFORMATION (Cont'd)

- (b) 3,186 acres of land located within Kulai B estate in Johor;
- (c) 2,000 acres of land located within Sepang estate in Selangor;
- (d) 993 acres of land located within Sungai Kapar estate in Selangor;
- (e) 2,000 acres of land located within West Estate, Carey Island, Jugra Kuala Langat in Selangor;
- (f) 485 acres of land located within Lothian (Sepang) estate in Selangor;
- (g) 864 acres of land located within Byram estate in Pulau Pinang;
- (h) 268 acres of land located within Ainsdale West estate in Negeri Sembilan; and
- (i) 148 acres of land located within Bukit Selarong estate in Kedah.

The agreed independent valuer shall value the Option Lands based on agricultural status with development potential using the methodology as it may determine. The option is granted for a nominal consideration of RM10.

The parties further agreed that, after the acquisition of the Option Lands, if our Company intend to lease, rent or grant licences over any part of the Option Lands for the purposes of oil palm planting and/or harvesting (and/or any agricultural venture), our Company agreed to first offer the same to SD Plantation for tenancy. If SD Plantation exercises its right to obtain a tenancy over such lands, the parties are bound to enter into a tenancy agreement in the form of the template tenancy agreement attached in the respective Land Option Agreements.

Please refer to Section 4.1.2(i) of the Prospectus for further details of the Land Option Agreements and the abovementioned tenancy agreement.

(ii) MVV Option Agreements

Our Company had, on 25 August 2017, entered into 29 separate call option agreements with KSDB (12 of the affected option agreements were amended pursuant to separate letters all dated 9 November 2017) where our Company was granted call options to purchase the legal and beneficial ownership of and title to 29 parcels of land (being 1 parcel under each call option agreement) or any part thereof totalling about 8,796 acres, all of which are located within the Mukim of Labu, Negeri Sembilan at any time during the MVV Option Period at a purchase price to be determined by the board of directors of the parties based on valuation to be conducted by an agreed independent valuer, subject to the terms and conditions of the MVV Option Agreements, which include the prior approval of shareholders of the party(ies), if required by applicable law or rule of a stock exchange. The agreed independent valuer shall value the MVV Option Lands based on market value, using the methodology as it may determine. The option is granted for a nominal consideration of RM10.

Please refer to Section 4.1.2(ii) of the Prospectus for further details of the MVV Option Agreements.

(iii) Loan restructuring agreement

SD London, Robt. Bradford and Robt. Bradford Hobbs Savill, our subsidiaries, had, on 25 August 2017, entered into a loan restructuring agreement with SDB and 2 of SDB's subsidiaries, KSDB and SD Far East (1991) Ltd ("**SDFE**"), where, with effect from 25 August 2017:

16. ADDITIONAL INFORMATION (Cont'd)

- (a) Robt. Bradford was released and discharged from all liabilities, obligations, claims, demands and actions arising in connection with the GBP13,540,324.30 loan repayable by Robt. Bradford to SDFE;
- (b) Robt. Bradford Hobbs Savill was released and discharged from all liabilities, obligations, claims, demands and actions arising in connection with the GBP15,116,583.94 loan repayable by Robt. Bradford Hobbs Savill to SDFE;
- (c) SDFE was released from its guarantee dated 20 October 1982 made in favour of SD London, to guarantee the due repayment by Robt. Bradford and Robt. Bradford Hobbs Savill and certain other companies listed in schedule 1 to a funding and indemnity agreement dated 15 June 1982 (made between SD London, KSDB, Robt. Bradford and Robt. Bradford Hobbs Savill and certain other companies listed in Schedule 1 thereto, Guy Butler (Holdings) Limited and Mills & Allen International plc) ("**F&I Agreement**") of all payments and advances made by SD London to these companies on or after 30 June 1982; and
- (d) SD London undertakes to KSDB and SDB to make all payments and advance all amounts which they are required, under the F&I Agreement, to pay or make after 25 August 2017 and agreed to indemnify KSDB and SDB from all liabilities and losses which may be incurred by KSDB and/or SDB as a result of a breach of the SD London's undertaking.

Under the F&I Agreement, SD London together with KSDB/SDB would pay Robt. Bradford and its subsidiaries ("**RB Group**") any such amount that the RB Group required to settle any claim from their customer or in discharging their liability.

With the loan restructuring agreement, SD London will be solely responsible to make all such payments and advances to the RB Group. The liability would only arise if there is any insurance claim received by Robt. Bradford or any of its subsidiaries in relation to their previous business undertaking.

In addition, SD London would be assuming any claims that are payable by RB Group pursuant to claims they are liable for when the companies were still active prior to ceasing operations in the late 1980s. No contingent liabilities for such claims have been recorded in the accounts of the RB Group on the basis that the companies have ceased trading in the late 1980s and no creditor claims have been made since 2005.

(iv) Disposal of our entire 40% equity interest in Seriemas Development Sdn Bhd to PNB Development Sdn Berhad

Our Company had, on 31 July 2017, entered into a share sale agreement with PNB Development Sdn Berhad for the sale of our entire 40% equity interest in Seriemas Development Sdn Bhd to PNB Development Sdn Berhad for a cash consideration of RM625 million ("**SSA**"). Pursuant to the terms of the agreement, the completion of the sale of shares shall take place within 3 months from the date of the agreement, with an automatic extension period of 1 month for the completion of the SSA. The SSA was completed on 29 September 2017.

16.7 CONSENTS

The written consents of the Principal Adviser, legal adviser, principal bankers and the Share Registrar as set out in the Corporate Directory Section of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

16. ADDITIONAL INFORMATION (Cont'd)

The written consent of PricewaterhouseCoopers, the Auditors and Reporting Accountants for the inclusion of its name, Reporting Accountants' Opinion on the Consolidated Financial Statements of our Company contained in the Accountants' Report, Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position of our Company and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consents of Norton Rose Fulbright Australia, Norton Rose Fulbright LLP, Appleby Global Group Services Limited, Norton Rose Fulbright Hong Kong and Norton Rose Fulbright (Asia) LLP, the legal advisers for our respective material foreign subsidiaries, associates and joint ventures, for the inclusion of their names, their respective legal opinions and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consents of CH Williams Talhar & Wong Sdn Bhd, Jones Lang Wootton, Khong & Jaafar Sdn Bhd, Rahim & Co International Sdn Bhd, LandMark White (Gold Coast) Pty Ltd and Jones Lang LaSalle Limited, the independent registered valuers, for the inclusion of their names, their respective asset valuation certificates and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of Frost & Sullivan, the independent market research consultant, for the inclusion of its name, its executive summary of the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

16.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 12 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) our highly dependent contracts and our material contracts as referred to in Sections 7.25 and 16.6 of this Prospectus respectively;
- (iii) valuation reports prepared by the respective independent registered valuers and the respective valuation certificates as included in Section 9 of this Prospectus;
- (iv) our audited consolidated financial statements for the FYEs 30 June 2015 to 2017;
- (v) audited financial statements of our subsidiaries for the FYEs 30 June 2015 to 2017, where applicable;
- (vi) Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position of our Company as included in Section 13.4 of this Prospectus;
- (vii) Reporting Accountants' Opinion on the Consolidated Financial Statements of our Company contained in the Accountants' Report as included in Section 14 of this Prospectus;
- (viii) executive summary of the IMR Report as included in Section 8 of this Prospectus and the IMR Report as prepared by Frost & Sullivan;
- (ix) Directors' Report as included in Section 15 of this Prospectus;

16. ADDITIONAL INFORMATION (Cont'd)

- (x) cause papers in relation to the material litigation referred to in Section 16.5 of this Prospectus;
- (xi) letters of consent referred to in Section 16.7 of this Prospectus; and
- (xii) opinions on governmental laws, decrees, regulations or legislations relating to repatriation of capital and remittance of profit of our material foreign subsidiaries, associates and joint ventures by or to our Company as disclosed in Annexure D of this Prospectus.

16.9 RESPONSIBILITY STATEMENTS

Our Directors and the Promoter have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm that, after making all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in this Prospectus false or misleading.

Maybank IB, as the Principal Adviser, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our Listing.

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ANNEXURE A: LIST OF MATERIAL PROPERTIES

A.1 MATERIAL PROPERTIES OWNED BY OUR GROUP, MATERIAL ASSOCIATES AND MATERIAL JOINT VENTURES

(i) Summary of material lands and buildings owned by our Group, material associates and material joint ventures

(a) A summary of our material lands and buildings as at the LPD are as follows:

Type of material land and building	Geographical location	Land area (approximate) (acres)	Build-up area (approximate) (if applicable) (sq ft)	Net lettable area (approximate) (if applicable) (sq ft)	NBV as at 30 June 2017	Market value as at the date of valuation	Revaluation surplus/ (Deficit)*
Lands used for on-going developments or held for development	Malaysia						
	Within Klang Valley	11,877.05	N/A	N/A	3,840,081,928	15,391,060,500	11,550,978,572
	Negeri Sembilan	4,146.64	N/A	N/A	1,374,295,413	2,322,760,000	948,464,587
	Johor	2,861.42	N/A	N/A	227,921,016	681,000,000	453,078,984
	Kedah	1,303.17	N/A	N/A	48,710,431	184,800,000	136,089,569
	Sabah	144.41	N/A	N/A	801,144	9,000,000	8,198,856
	Australia	65.20	N/A	N/A	124,655,286	191,607,432	66,952,146
	Subtotal	20,397.89	N/A	N/A	5,616,465,218	18,780,227,932	13,163,762,714
Investment properties	Malaysia						
	Within Klang Valley	88.80	N/A	424,579	386,969,835	475,304,002	88,334,167
	Kedah	546.33	N/A	N/A	7,041,581	118,900,000	111,858,419
	Subtotal	635.13	N/A	424,579	394,011,416	594,204,002	200,192,586

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

Type of material land and building	Geographical location	Land area (approximate)	Build-up area (approximate) (if applicable)	Net lettable area (approximate) (if applicable)	NBV as at 30 June 2017	Market value as at the date of valuation	Revaluation surplus/ (Deficit)*
Property, plant and equipment	Malaysia						
	Within Klang Valley	454.00	600,648	1,190,159	559,293,748	787,665,000	228,371,252
	Kedah	N/A	N/A	113,389	15,987,290	13,500,000	(2,487,290)
	Pulau Pinang	1.71	10,478	N/A	1,634,609	37,000,000	35,365,391
	Subtotal	455.71	611,126	1,303,548	576,915,647	838,165,000	261,249,353
Inventories	Malaysia						
	Within Klang Valley	61.63	2,648,960	N/A	509,048,503	694,464,000	185,415,497
	Negeri Sembilan	84.74	221,279	N/A	86,660,192	92,500,000	5,839,808
	Subtotal	146.37	2,870,239	N/A	595,708,695	786,964,000	191,255,305
	Total	21,635.05	3,481,365	1,728,127	7,183,100,976	20,999,560,934	13,816,459,958

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ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

(b) A summary of the material lands and buildings owned by our material associates and material joint ventures as at the LPD are as follows:

Type of material land and building	Geographical location	Land area (approximate) (acres)	Build-up area (approximate) (if applicable) (sq ft)	Net lettable area (approximate) (if applicable) (sq ft)	NBV as at 30 June 2017	Market value as at the date of valuation	Revaluation surplus/ (Deficit)*
Lands used for on-going developments or held for development	Malaysia						
	Within Klang Valley	26.49	N/A	N/A	632,613,326	597,530,000	(35,083,326)
	United Kingdom	40.00	N/A	N/A	9,224,357,641	5,429,664,130	(3,794,693,511)
	Subtotal	66.49	N/A	N/A	9,856,970,967	6,027,194,130	(3,829,776,837)
Investment properties	Malaysia						
	Within Klang Valley	8.77	N/A	996,517	710,248,497	729,110,351	18,861,854
	Subtotal	8.77	N/A	996,517	710,248,497	729,110,351	18,861,854
Property, plant and equipment	Malaysia						
	Within Klang Valley	N/A	158,946	N/A	48,864,793	64,000,000	15,135,207
	Subtotal	N/A	158,946	N/A	48,864,793	64,000,000	15,135,207
Total	75.26	158,946	996,517	10,616,084,257	6,820,304,481	(3,795,779,776)	

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)**(ii) Details of material lands owned by our Group, material associates and material joint ventures that are used for on-going developments or held for future development**

(a) The details of our material lands used for on-going developments or held for development as at the LPD are as follows:

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
Malaysia								
Within Klang Valley								
1.	A parcel of unconverted development land held under Geran 48740 Lot No. 938, Mukim Beranang, District of Ulu Langat, State of Selangor, located along Jalan Kampung Sesapan, Batu Rembau, Beranang, Selangor Darul Ehsan	The Glengowrie Rubber Company	A parcel of unconverted development zoned for residential use/ Cultivated with matured oil palm/ Freehold	4.97	N/A	42,899	3,200,000	3,157,101
2.	2 parcels of residential building land held under Geran 120326 Lot No. 66668 and Geran 318160 Lot No. 77716, Mukim Damansara, District of Petaling, State of Selangor, located along Jalan Subang Mas, Taman Pinggiran USJ, Selangor Darul Ehsan	SD Property (USJ) (formerly known as Lengkap Teratai Sdn Bhd)/ SD USJ Development	2 parcels of residential building land approved for development of medium cost apartment and shop/office forming part of "Taman Pinggiran USJ"/ Vacant land/ Freehold	11.24	The category of land use for the alienated lands is prescribed as building/ The alienated land held under Geran 120326 Lot No. 66668 shall be used for apartment purposes and the alienated land held under Geran 318160 Lot No. 77716 shall be used for residential purposes	10,274,330	20,700,000	10,425,670

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
3.	A parcel of building land held under Geran 75962 Lot No. 245 Section 89A, Bandar Kuala Lumpur, District of Kuala Lumpur, Federal Territory of Kuala Lumpur, located along Jalan U-Thant, Taman U-Thant, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	SD Property (Bukit Tunku)	A parcel of building land located along Jalan U-Thant, Taman U-Thant that has been approved for a luxury residential development/ Vacant land/ Freehold	1.16	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for residential purposes and the development of land shall be in accordance with the development order issued by the Mayor of Kuala Lumpur	3,145,131	44,100,000	40,954,869
4.	A parcel of commercial land held under Geran 207216 Lot No. 23584, Mukim Dengkil, District of Sepang, State of Selangor, located along Jalan Teknokrat 7, Cyberjaya, Selangor Darul Ehsan	SD Property	An intermediate plot of commercial land specifically as an enterprise land known as "Cyberjaya Land"/ Vacant land/ Freehold	1.54	The category of land use for the alienated land is prescribed as building/ Prior written consent of state authority is required for any transfer, lease or charge of the alienated land/ The alienated land shall be used for commercial purposes	3,953,443	8,700,000	4,746,557

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
5.	7 plots of the proposed Kota Elmina township development held under Geran 27405 Lot No. 1505, Geran 322119 Lot No. 85988, Geran 322120 Lot No. 85989, Geran 322121 Lot No. 85990, Geran 47071 Lot No. 1657, Geran 47272 Lot No. 1455 and Geran 27703 Lot No. 1446, Mukim Rawang, District of Gombak, State of Selangor	SD Property	7 plots of agriculture land for the proposed "Kota Elmina" township development/ Oil palm cultivation/ Freehold	1,539.19	The category of land use for the alienated lands is prescribed as 'Nil'/ The alienated lands held under Geran 322119 Lot No. 85988, Geran 322120 Lot No. 85989, Geran 322121 Lot No. 85990 are subject to condition set out in Section 3 of the Country Lands (Cultivation) Enactment 1914/ The alienated land held under Geran 27405 Lot No. 1505 shall be used for agricultural purposes, the alienated lands held under Geran 322119 Lot No. 85988, Geran 322120 Lot No. 85989, Geran 322121 Lot No. 85990 shall be reserved to the state the right to excise from the area hereby granted without payment of compensation, a reserve not exceeding exercised after expiry of a period of 3 years from the date of authorised	227,070,026	938,700,000	711,629,974

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
6.	17 detached house lots, 27 terrace house lots and 2 commercial lands held under Geran 241082 Lot No. 79819 and 16 others, HSD 298944 No. PT 35625 and 26 others and Geran 241755 Lot No. 79974 and HSD 298994 No. PT 35675 respectively, Mukim Damansara, District of Petaling, State of Selangor, located within USJ Heights, Subang Jaya, Selangor Darul Ehsan	SD Property (USJ) (formerly known as Lengkap Teratai Sdn Bhd)/ SD USJ Development	17 detached house lots, 27 terrace house lots and 2 commercial lands forming part of "USJ Heights" development/ Vacant land/ Freehold	6.10	occupation of the land. 1 chain in width for the formation of a road provided that such right not be The category of land use for the alienated lands is prescribed as building/ The alienated lands held under Geran 241082 - Geran 241098 Lot No. 79819 - Lot No. 79835, HSD 298944 - HSD 298962 No. PT 35625 - No. PT 35643 and HSD 298986 - HSD 298993 No. PT 35667 - No. PT 35674 shall be used for residential purposes and the alienated lands held under Geran 241755 Lot No. 79974 and HSD 298994 No. PT 35675 shall be used for commercial building purposes	5,377,264	42,100,000	36,722,736

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
7.	3 parcels of building lands held under Geran 317067 Lot No. 29665 Seksyen 1, Geran 319640 Lot No. 29666 Seksyen 1 and Geran 310510 Lot No. 29242 Seksyen 1, Bandar Ulu Kelang and 1 title of Geran 39415 Lot No. 14855, Mukim Setapak, all within District of Gombak, State of Selangor	SD Melawati (formerly known as Melawati Development Sdn Bhd)	A 8,284 sq m parcel of commercial land, a 1,115 sq m parcel of commercial land presently built-upon with a Caltex petrol station, the on-going "Serini Melawati" serviced apartment development and 51 unsold, nearly completed office suites within the Melawati Corporate Centre, all located within Taman Melawati/	5.956	The category of land use for the alienated lands is prescribed as building/ The alienated lands held under Geran 317067 Lot No. 29665 Seksyen 1, Geran 319640 Lot No. 29666 Seksyen 1 and Geran 310510 Lot No. 29242 Seksyen 1 shall be used for commercial building purposes and the alienated lands held under Geran 39415 Lot No.14855 shall be used for petrol station purposes	121,200,703	184,540,000	63,339,297

On-going development/

Freehold

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
8.	2 titles held under Geran 331534 Lot No. 91700 and Geran 312484 Lot No. 62502, Pekan Subang Jaya, District of Petaling, State of Selangor, located along Persiaran Kewajipan, USJ 7, Subang Jaya, Selangor Darul Ehsan	Syarikat Perumahan Guthrie	A 23.81 acres parcel of commercial land and a 10.82 acres parcel of industrial land with the commercial potential for the proposed "Subang Jaya 7" (SJ7) development, located along Persiaran Kewajipan, USJ 7, Subang Jaya/	34.62	The category of land use for the alienated lands held under Geran 331534 Lot No. 91700 is prescribed as building and the category of land use for the alienated lands held under Geran 312484 Lot No. 62502 is prescribed as industrial/	215,252,158	715,000,000	499,747,842
9.	89 titles held under HSD 130449 No. PT 46685 and 88 others, Mukim Kapar, District of Klang, State of Selangor	SD Property (Lembah Acob)	4 plots of development land for residential use, 10 plots of residential land for "Rumah Selangorku" which consist of 5 plots of "Pangsa Harga Murah (PHM), 3 plots for "Pangsa	235.76	The category of land use for the alienated lands held under HSD 130449 No. PT 46685, HSD 130457 – HSD 130459 No. PT 46702 – No. PT 46704 is prescribed as agriculture, and the alienated lands held under the remaining titles is prescribed as building/	11,776,636	174,800,500	163,023,864

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
			Harga Sederhana Rendah (PHSR)" and 2 plots for "Pangsa Harga Serdehana (PHS)", 72 commercial terraced shoplots and 3 plots of commercial land consist of 2 plots of land designated for "Tadika" and a plot for "Pam Minyak", forming part of "Lembah Acob Estate"					
			Oil palm cultivation/ Freehold					
					The alienated lands held under HSD 130450 – HSD 130451 No. PT 46688 – No. PT 46689, HSD 130453 No. PT 46694, HSD 130454 No. PT 46696, HSD 130455 No. PT 46698, HSD 130456 No. PT 46700, HSD 130461 No. PT 46707, HSD 130462 No. PT 46709, HSD 130463 No. PT 46711, HSD 130465 No. PT 46717 shall be used for residential building, the alienated land held under HSD 130452 No. PT 46692, HSD 130460 No. PT 46705, HSD 130464 No. PT 46715 and HSD 130466 – HSD 130537 No. PT 46721 – No. PT 46792 shall be used for commercial building purposes and the alienated lands held under HSD 130449 No. PT 46685, HSD 130457 – HSD 130459 No. PT 46702 – No. PT 46704 shall be used for agricultural purposes			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
10.	A parcel of agriculture land held under Geran 252112 Lot No. 5049, Mukim Bandar, District of Kuala Langat, State of Selangor, located along Jalan Pusara, Banting, Selangor Darul Ehsan	Golden Hope Plantations (Peninsular) Sdn Bhd/ SD Builders ⁽¹⁾	A parcel of agriculture land with development potential known as "New Lunderston Estate"/ Cultivated with Oil palm/ Freehold	297.51	N/A	1,091,430	78,000,000	76,908,570
11.	A parcel of residential land approved for low-cost apartment and a parcel of commercial land held under HSD293660 No. PT 32277 and HSD293661 No. PT 32278, respectively, Mukim Bukit Raja, District of Petaling, State of Selangor, all forming part of Taman Bukit Subang, Section U16, Shah Alam, Selangor Darul Ehsan	Highlands & Lowlands Berhad/ SD Paralimni	A 1.0 acre parcel of residential land approved for low-cost apartments and a 7.373 acres parcel of commercial land forming part of "Bukit Subang" township/ Vacant land/ Freehold	8.37	The category of land use for the alienated lands is prescribed as building/ The alienated lands held under HSD293660 No. PT 32277 shall be used for residential building and the alienated lands held under HSD 293661 No. PT 32278 shall be used for commercial building purposes	13,519,889	39,110,000	25,590,111

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
12.	4 parcels of lands held under Pajakan Negeri (parcel A1), Pajakan Negeri 51447 Lot No. 480533 (parcel A2), Pajakan Negeri 51448 Lot No. 480534 (parcel B1) and Pajakan Negeri 51449 Lot No. 480535 (parcel B2), Mukim Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, forming part of the ongoing "ALYA Kuala Lumpur" development, located within Bukit Kiara, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Golfhome Development and Ironwood Development/ SD Brunnsfield Resort ⁽⁵⁾	4 contiguous parcels of residential building lands approved for development of 7 blocks of condominiums and 33 units stratified detached houses, forming part of the on-going "ALYA Kuala Lumpur" development/ Vacant land/ Leasehold	22.63	The category of land use for the alienated lands is prescribed as building/ Prior consent of the Kuala Lumpur Federal Territory Land Work Committee is required for any transfer, lease or charge of the alienated lands/ The alienated lands shall be used for residential building for condominium/villa purposes	272,684,076 ⁽⁵⁾	460,000,000	187,315,924

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
13.	Development land held under HSD 266282 No. PT 4001, HSD 266283 No. PT 4002, HSD 266285 No. PT 4004 and HSD 252819 No. PT 34998, Mukim Damansara, District of Petaling, State of Selangor, all forming part of "Ara Damansara" development, located at Petaling Jaya, Selangor Darul Ehsan	SD Ara Damansara (formerly known as Sime Pilmoor Development Sdn Bhd)	The on-going "Cantara Residences" development, 1 parcel of commercial land and 2 parcels of residential lands that have been approved for stratified houses and medium-cost apartments, forming part of "Ara Damansara" township/	17.76	The category of land use for the alienated lands is prescribed as building/	56,776,206	105,130,000	48,353,794
			Vacant land/					
			Freehold					

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
14.	5 parcels of commercial lands held under Geran 56741 Lot No. 15, HSD 284067 No. PT 35, Geran 58034 Lot No. 61714, Geran 58035 Lot No. 61715 and HSD 236324 No. PT 26, Bandar Subang Jaya, District of Petaling, State of Selangor, located along Jalan SS16/1, Subang Jaya, Selangor Darul Ehsan	SD Property (Subang) (formerly known as Sime UEP Centre Sdn Bhd)	2 parcels of commercial lands with planning permission for mixed-commercial development together with 3 parcels of commercial lands located along Jalan SS16/1, Subang Jaya, forming part of 'SJCC' development/	28.11	The category of land use for the alienated lands is prescribed as building/ The alienated lands held under Geran 56741 Lot No. 15, HSD 284067 No. PT 35, Geran 58035 Lot No. 61715 and HSD 236324 No. PT 26 shall be used for commercial building and the alienated land held under Geran 58034 Lot No. 61714 shall be used for commercial purposes	130,941,664	635,100,000	504,158,336
			Vacant land/					
			Freehold					

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
15.	25 plots of agriculture land held under Geran 50016 Lot No. 1000 together with 24 other plots, Mukim Rawang, District of Gombak, State of Selangor and 4 plots of land held under Geran 317224 Lot No. 488, Geran 317222 Lot No. 489, Geran 317223 Lot No. 497 and Geran 317225 Lot No. 498, Pekan Kuang, District of Gombak, State of Selangor	SD Landscaping	29 plots of agriculture land with development potential and have been proposed for township development known as "Lagong Township"/ Oil palm/ Freehold	1,551.64	The category of land use for alienated lands held under 18 titles is prescribed as agriculture and 11 titles is prescribed as 'Nil'/ The alienated lands held under 29 titles shall be used for agriculture purposes	56,529,772	943,500,000	886,970,228
16.	A parcel of development land held under HSD 286768 PT 49958 and 400 others, Mukim Sungai Buloh, District of Petaling, State of Selangor, located along the Guthrie Corridor Expressway	SD Elmina	The on-going township development known as "Elmina East"/ On-going development/ Freehold	855.59	The category of land use for the alienated land is prescribed as building/ The alienated lands under 377 titles shall be used for residential building and the alienated lands under 24 titles shall be used for commercial building purposes	376,300,828	729,000,000	352,699,172

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
17.	A parcel of development land held under HSD 308761 No. PT 53750 Section U15 and 4,530 others, Mukim Sungai Buloh, District of Petaling, State of Selangor, located along the Guthrie Corridor Expressway	SD Elmina	The on-going township development known as "Elmina West" On-going development and part of land is planted with oil palm/ Freehold	2,622.52	The category of land use for the alienated land is prescribed as industrial, building, agriculture and 'Nil' The alienated lands may be transferred, leased or mortgaged upon the approval of the state authority, shall be transferred, leased or mortgaged and shall be monitored and maintained by the landowner and/or shall be used for electrical substation or main divider site/ The alienated lands held under 16 titles shall be used for agriculture (industrial), the alienated lands held under 47 titles shall be used for commercial building and the alienated lands held under the remaining titles shall be used for residential building, observation zone and slope purposes	580,717,247	1,553,200,000	972,482,753

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
18.	A parcel of development land held under Pajakan Negeri 51456 Lot No. 480547, Mukim Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	SD Pagoh/ SD Brunnsfield Resort	The on-going development of "Senada Residences" forming part of the on-going "ALYA Kuala Lumpur" development/ On-going development/ Leasehold	4.03	The category of land use for the alienated land is prescribed as building/ Prior consent of the Kuala Lumpur Federal Territory Land Work Committee is required for any transfer, lease or charge of the alienated land/ The alienated land shall be used for serviced apartment, office and shopping mall purposes	140,085,087	110,000,000	(30,085,087)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
19.	22 plots of building land for residential/commercial use held under Geran 314921 Lot No. 74256 and 21 others, Mukim Damansara, District of Petaling, State of Selangor, located along the North-South Expressway Central Link ("Elite Highway")	SD Putra Heights (formerly known as Sime UEP Heights Sdn Bhd)/ SD USJ Development	22 plots of building land for residential/commercial use with a combined provisional land, all forming part of the "Putra Heights" development scheme located along the Elite Highway/ On-going development/ Freehold	72.59	The category of land use for the alienated lands is prescribed as building/ The alienated lands held under 18 titles shall be used for commercial building, the alienated land held under 1 title shall be used for kindergarten and the alienated lands held under 3 titles shall be used for residential building purposes	272,907,696	404,070,000	131,162,304

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
20.	47 parcels of building land for residential and commercial use held under Geran 310866 Lot No. 76871 and 46 others and 22 parcels of industrial land, held under Geran 204640 Lot No. 78674 and 21 others, all forming part of the "Bukit Jelutong" development scheme, located along the Guthrie Corridor Expressway and the NKVE, Mukim Damansara, District of Petaling, State of Selangor	Highlands & Lowlands Berhad/ SD Property (in respect of Geran 310866 Lot Nos. 76871, 76104 and 78637) and SD Augsburg (in respect of the remaining titles)	47 parcels of building land for residential and commercial use and 22 parcels of industrial land located within the "Bukit Jelutong" township development/ On-going development/ Freehold	165.27	The category of land use for the alienated lands is prescribed as building and industrial and 'Nil'/ The alienated lands shall be used for commercial building, residential building, golf, high-rise residential building, industrial and kindergarten purposes	135,338,804	511,420,000	376,081,196

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
21.	14 plots of development lands held under HSD 278512 No. PT 29527 and 124 others inclusive individual titles, Mukim Bukit Raja, District of Petaling, State of Selangor, all forming part of the Denai Alam development scheme, located along the Guthrie Corridor Expressway, Section U16, Shah Alam, Selangor Darul Ehsan	SD Property	14 plots of building lands for commercial use and residential use forming part of the Denai Alam township development/ On-going development/ Freehold	95.99	The category of land use for the alienated land is prescribed as building/ The alienated lands shall be used for commercial building, residential building or industrial purposes	99,587,754	291,700,000	192,112,246

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
22.	160 subdivided lots comprise of 128 plots of commercial lands held under HSD 114768 No. PT 53558 and 127 others, 29 plots of residential lands held under HSD 120055 No. PT 55959 and 28 others, and 3 plots of industrial lands held under HSD 139809 No. PT 69359, HSD 146829 No. PT 71350 and GM 3242 Lot No. 34026, Mukim Kapar, District of Klang, State of Selangor	SD Property (Klang)/ SD USJ Development	160 subdivided lots comprising 128 commercial lots (114 for terraced shop-offices, 2 plots for 'food court', 7 plots for 'kindergarten', 1 plot for 'lorry depot', 2 plots for 'gerai' and the remaining 2 plots for commercial use), 29 residential lots (22 plots for semi-detached houses, 4 plots for 'Rumah Selangorku' and 3 plots for residential use) and 3 industrial lots forming part of "Bandar Bukit Raja Stage 1"/	144.41	The category of land use for the alienated lands is prescribed as building and industrial/ The alienated lands held under 128 lots shall be used for commercial building, 29 lots shall be used for residential building and 3 lots shall be used for industrial purposes	65,489,218	414,490,000	349,000,782
			On-going development/					
			Freehold					

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
23.	6 parcels of agriculture land with development potential held under HSD 157998 No. PT 76657, HSD 157999 No. PT 76658, Geran 51058 Lot No. 86, Geran 330812 Lot No. 5646, Geran 330813 Lot No. 5647 and Geran 330814 Lot No. 5648, 1 parcel of commercial land held under HSD 158287 No. PT 76775, 1 on-going developing Phase project comprising Phase 1A of 710 subdivided terraced residential lots and 1 parcel of commercial lot, located on previously Lot No. 24 and Lot No. 25; and Phase 1B of 557 subdivided terraced residential lots located on part of Geran 330813 Lot No. 5647 and Geran 330814 Lot No. 5648, all forming part of Bandar Bukit Raja 2 and Bandar Bukit Raja 3 consists of 8 parcels of agriculture land with development potential held under Geran 333358	SD Property (Klang)/ SD USJ Development	6 parcels of agriculture land with development potential, 1 parcel of commercial land and 1267 subdivided residential lots, forming part of "Bandar Bukit Raja Stage 2" and 8 parcels of agriculture land with development potential to be known as "Bandar Bukit Raja 3"	2,471.75	The category of land use for the alienated lands is prescribed as building, agriculture and 'Nil'/ The alienated lands held under Geran 333217 Lot No. 50418, Geran 333303 Lot No. 64213, Geran 333350 Lot No. 50416, Geran 333351 Lot No. 34038, Geran 278974 Lot No. 23235, HSD 157998 No. PT 76657 and HSD 157999 No. PT 76658 shall be used for agriculture, HSD 158287 No. PT 76775 and HSD 157517 No. PT 76153 shall be used for commercial building, 710 subdivided terraced residential lots in Phase 1A and 557 subdivided terraced residential lots in Phase 1B shall be used for residential building, and the remaining titles are 'Nil'	160,495,964	3,348,900,000	3,188,404,036

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
24.	Part of Phase 1 comprising of 2 plots of agriculture lands with development potential held under Geran 32538 Lot No. 115636 and Geran 332581 Lot No. 115638, 6 plots of residential land held under Geran 332536 Lot No. 115639 and 5 others, 2 plots of commercial land held under Geran 332540 Lot	SD Ampar Tenang/ SD Serenia	Part of Phase 1 and the entire Phase 2, Phase 2A and Phase 3 of the on-going township development of Bandar Serenia comprising 6 plots of agriculture land with development potential, 6 plots of residential land	Refer to note (12)	The category of land use for the alienated land is prescribed as building, industrial and agriculture/ The alienated lands comprising 6 lots shall be used for residential building, 33 lots for commercial building, 26 lots for industrial and 14 lots for agriculture purposes	97,761,877	Refer to note (12)	Refer to note (12)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	No. 115619 and Geran 332589 Lot No. 115625, 31 subdivided commercial low-cost terraced lots held under Geran 332576 Lot No. 115645 to Geran 332547 Lot No. 115675, 2 plots of industrial land held under HSD 39893 No. PT 55379 and Geran 332587 Lot No. 115630, 2 on-going industrial projects comprise 9 subdivided detached industrial plots held under HSD 44326 No. PT 59251 and 8 others (Phase 1-C4) and 15 units of 3-storey detached factory held under HSD 44336 No. PT 59267 and 14 others(Phase 1-C6); 1 plot of agriculture land in Phase 2A held under Geran 332537 Lot No. 115637, 1 plot-of agriculture land in Phase 2 held under HSD 39900 No. PT 55386 and 2 plots of agriculture lands in Phase 3 held under Geran 332583 Lot No. 115635 and		proposed for affordable homes (RSKu), 2 plots of commercial land, 2 plots of industrial land, 31 subdivided commercial low-cost terraced lots and 2 ongoing industrial project comprises of 9 subdivided detached plot and 15 units of 3-storey detached factory/ On-going development and part of land is planted with oil palm/ Freehold					

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	part of Geran 332585 Lot No. 115634,							
	Mukim Dengkil, District of Sepang, State of Selangor							
25.	The on-going development of 4-storey retail complex known as "The Centro" and the proposed 13-storey hotel held under Geran 317343 Lot No. 92087, "Oasis Rio" held under Geran 317341 Lot No. 92086, 3 parcels of commercial land approved for a mixed development held under Geran 321457 Lot No. 81297, Geran 319638 Lot No. 92095 and Geran 317345 Lot No. 92089 and 5 parcels of commercial land held under Geran 323682 Lot No. 81117, Geran 321458 Lot No. 91993, Geran 312331 Lot No. 91788, Geran 317340 Lot No. 92085 and	SD Ara Damansara (formerly known as Sime Pilmoor Development Sdn Bhd)/ SD Brunsfield Damansara & SD Ara Damansara ⁽⁶⁾	An on-going development of 4-storey retail complex known as "The Centro" and the proposed 13-storey hotel and "Oasis Rio", 3 parcels of commercial land approved for a mixed development and 5 parcels of commercial land/ On-going project/ Freehold	56.38	The category of land use for the alienated lands is prescribed as building/ The alienated lands shall be used for commercial building purposes	213,689,002 ⁽⁶⁾	802,400,000	588,710,998

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Geran 317344 Lot No. 92088, Mukim Damansara, District of Petaling, State of Selangor							
26.	2 blocks of 38-storey serviced apartment known as "Quarza Residence" held under Geran 76455 Lot No. 200694 and a vacant parcel of commercial land held under HSD 120059 No. PT 10013, all located in Phase 1, 6 vacant parcels of residential land held under Geran 78454 Lot No. 201058, Plots 12 and 13 (Geran 78316 Lot No. 201014 and 42 others), Geran 39081 Lot No. 26704, Geran 39079 Lot No. 26705 and Geran 39080 Lot No. 26710, 2 parcels of commercial land held under part of Geran 78472 Lot No. 201056 and Plot 6 and 7 (Geran 78455 Lot No. 201059 and Geran 78453	SD Melawati (formerly known as Melawati Development Sdn Bhd)	A development land within the "KL East" development/ On-going project/ Freehold	97.467 ⁽⁹⁾	The category of land use for the alienated lands is prescribed as building/ Prior written consent of state authority is required for any transfer, lease or charge of the alienated lands held under 8 titles/ The alienated lands shall be used for commercial building, serviced apartment and residential and equestrian and ecopark purposes	133,491,889	545,600,000 ⁽⁹⁾	412,108,111

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)

Lot No. 201060) and 5 parcels of Eco Park land held under Geran 78456 Lot No. 201061 to Geran 78451 Lot No. 201065, located in Phase 2, all located within the on-going "KL East" development, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
27.	2 undeveloped lands and 40 undeveloped detached house plots, held under part of Geran 331206 Lot No. 91932, located within Putra Heights, Mukim Damansara, District of Petaling, State of Selangor	SD Putra Heights (formerly known as Sime UEP Heights Sdn Bhd)/ SD USJ Development	2 undeveloped parcels of lands approved for condominiums (to be known as "North Brooke Condominium" and "South Brooke Condominium"), and 40 undeveloped detached house plots located within "The Glades", Putra Heights/ Undeveloped land that is part of the ongoing development of the "The Glades"/ Freehold	13.00	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for residential building purposes	4,456,178	65,000,000	60,543,822
28.	Development lands held under Pajakan Negeri 51450 Lot No. 480536, Pajakan Negeri 51451 Lot No. 480539, Pajakan Negeri 51452 Lot No. 480540,	Golfhorne Development (in respect of Pajakan Negeri 51450 Lot No. 480536), SD	Development lands approved for stratified detached houses, condominiums, serviced apartments,	25.43	The category of land use for the alienated lands is prescribed as building/ Prior consent of the Kuala Lumpur Federal Territory Land	430,124,756	739,000,000	308,875,244

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Pajakan Negeri 51453 Lot No. 480543, Pajakan Negeri 51457 Lot No. 480548, HSD 120150 No. PT 9436, HSD 120151 No. PT 9437 and 14 units of townhouses undergoing renovation held under Pajakan Negeri 51454 Lot No. 480544, Mukim Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	KLGCC (in respect of Pajakan Negeri 51451 Lot No. 480539, Pajakan Negeri 51452 Lot No. 480540, Pajakan Negeri 51453 Lot No. 480543, HSD 120150 No. PT 9436 and HSD 120151 No. PT 9437), Golftek Development (in respect of Pajakan Negeri 52820 Lot No. 48114 and Pajakan Negeri 51457 Lot No. 480548), KLGCC (in respect of Pajakan Negeri 51454 Lot No. 480544)	clubhouse, office buildings, public amenity centre, all forming part of the on-going "ALYA Kuala Lumpur" development/ On-going development for the alienated lands under HSD 120150 No. PT 9436, HSD 120151 No. PT 9437, and vacant land for the remaining titles/ Leasehold		Work Committee is required for any transfer, lease or charge of the alienated lands/ The alienated lands held under Pajakan Negeri 51450 Lot No. 480536 shall be used for condominium, Pajakan Negeri 51451 Lot No. 480539, Pajakan Negeri 51452 Lot No. 480540, Pajakan Negeri 51453 Lot No. 480543 shall be used for bungalow, The alienated land held under HSD 120150 No. PT 9436 shall be used for serviced apartment and business space purposes, HSD 120151 No. PT 9437 shall be used for electrical substation purposes, Pajakan Negeri 51457 Lot No. 480548 and the alienated land held under Lot 481147 shall be used for corporate office complex and Pajakan Negeri 51454 Lot No. 480544 shall be used for condominium/ townhouse/villa purposes			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
1.	Negeri Sembilan 161 parcels of medium cost terraced house plot held under Geran 250699 Lot No. 7683 and 160 others, 96 parcels of low cost terraced house plot held under Geran 250733 Lot. No. 7717 and 95 others, and 5 parcels of terraced shop lot held under Geran 250694 Lot No. 7606 to Geran 250698 Lot No. 7610, Mukim Pasir Panjang, District of Port Dickson, State of Negeri Sembilan, located within Taman Sengkang, Pasir Panjang, Port Dickson, Negeri Sembilan Darul Khusus	Syarikat Perumahan Guthrie ⁽¹⁾	161 parcels of medium cost terraced house plot, 96 parcels of low cost terraced house plot and 5 parcels of terraced shop lot, forming part of "Taman Sengkang"/ Vacant land/ Freehold	8.50	The category of land use for the alienated lands is prescribed as building/ Prior written consent of state authority is required for any transfer, lease or charge of the alienated lands/ The alienated lands held under Geran 250694 – Geran 250698 Lot No. 7606 – Lot No. 7610 shall be used for commercial purposes and the rest of the alienated lands shall be used for residential purposes	83,432	2,800,000	2,716,568

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
2.	4 lands held under Geran 234409 Lot No. 24344, Geran 234393 Lot No. 24343, Geran 234358 Lot No. 24333, Pekan Bukit Kepayang and HSD129996 Lot No. 4651, Mukim Rasah, all within District of Seremban, State of Negeri Sembilan, located at the confluence of Jalan Sungai Ujong with Jalan Lingkarang Tengah, Seremban, Negeri Sembilan Darul Khusus	SD Chemara	4 adjoining parcels of unconverted development lands zoned for commercial use named as "Chemara West"/ Partly vacant land and partly accommodates several dilapidated single and double storey detached buildings/ Freehold (except for alienated land held under HSD 129996 Lot No. 4651 which is a leasehold)	20.24	The category of land use for the alienated lands held is prescribed as agriculture and 'Nil'/ Prior written consent of state authority is required for any transfer, lease or charge of the alienated land held under HSD 129996 Lot No. 4651/ The alienated lands held under Geran 234393 Lot No. 24343, and Geran 234358 Lot No. 24333 shall be used for research centres and the alienated land held under HSD 129996 Lot No. 4651 shall be used for agriculture purposes	1,756,173	41,000,000	39,243,827
3.	23 parcels of agriculture land and 7 parcels of residential development land held under Geran 53582 Lot No. 6007 and 29	SD Lukut	23 parcels of agriculture land and 7 parcels of residential land	372.56	The category of land use for the alienated lands is prescribed as building, agriculture and 'Nil'/	9,712,806	116,000,000	106,287,194

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	others, Mukim Teluk Kemang, District of Port Dickson, State of Negeri Sembilan		known as "Sua Betong Estate"/ Cultivated with Oil palm/ Freehold		The alienated lands held under Geran 137817 Lot No. 6201, Geran 137818 Lot No. 6202, Geran 137820 Lot No. 6204 and Geran 137811 - Geran 137814 Lot No. 6195 - Lot No. 6198 shall be used for residential building and the remaining alienated lands are for agriculture purposes			
4.	7 parcels of agriculture land held under Geran 247720 Lot No. 2832, GM 2549 Lot No. 1515, Geran 110410 Lot No. 2601, Mukim Setul and Geran 110411 Lot No. 1635, Geran 110412 Lot No. 856, Geran 237527 Lot No. 32742 and Geran 187288 Lot No. 38434, Mukim Labu, all within District of Seremban, State of Negeri Sembilan.	SD Property (Nilai)	7 contiguous parcels of agriculture lands with development potential, collectively identified as "Hamilton Division of New Labu Estate"/ Cultivated with Oil palm/ Freehold	934.14	The category of land use for the alienated lands held under GM 2549 Lot No. 1515 and Geran 187288 Lot No. 38434 is prescribed as agriculture and the category of land use for the remaining alienated lands is prescribed as 'Nil'/ The alienated land held under GM 2549 Lot No. 1515 shall be used for long-term farming only and the alienated land held under Geran 187288 Lot No. 38434 shall be used for agriculture only purposes	26,248,093	285,000,000	258,751,907

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
5.	11 parcels of development land held under Geran 185402 Lot No. 30465 and 10 others, Pekan Nilai, District of Seremban, State of Negeri Sembilan, located along Jalan Labu, Nilai, Negeri Sembilan Darul Khusus	SD Property (Nilai)	11 parcels of development land for the proposed development of "Planters' Haven 2 (Amaya)"/ Vacant/ Freehold	95.30	The category of land use for the alienated lands is prescribed as agriculture and industrial/ The alienated lands held under Geran 232425 - Geran 232428 Lot No. 33096 - Lot No. 33099, Geran 253587 Lot No. 31304 and Geran 185400 Lot No. 31318 shall be used for long-term farming only and the alienated land held under Geran 253588 Lot 31305 shall be used for electricity substation purposes	3,185,312	70,000,000	66,814,688
6.	22 parcels of development land held under HSD 224916 No. PT 35201 and 27 others, an on-going residential development held under HSD 225381 No. PT 35699 and 87 others, Mukim Labu, District of Seremban, State of Negeri Sembilan, all located within	SD Plantation ⁽²⁰⁾ / SD Ainsdale	22 parcels of development lands and an on-going residential development comprising 88 units of double storey terraced house within "Bandar Ainsdale"/	194.56	The category of land use for the alienated lands is prescribed as agriculture and building/ The alienated lands (of which category of land use is agriculture) shall be used for long-term agriculture, the alienated lands held under Geran 262090 Lot No. 72519,	284,985,608	257,600,000	(27,385,608)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Bandar Airsdale, Negeri Sembilan Darul Khusus		Vacant land and on-going development/ Freehold		HSD 225371 No. PT 35680 HSD 225376 No. PT 35686 and HSD 225377 No. PT 35687 and the ongoing development shall be used for residential, the alienated lands held under HSD 237975 No. PT 37673, HSD 224903 No. PT 35184, HSD 220423 No. PT 35027, Geran 262091 Lot No. 72520, Geran 261096 No. PT 72525, HSD 225372 No. PT 35681, HSD 225373 No. PT 35683, Geran 262092 Lot No. 72521, Geran 262093 Lot No. 72522, Geran 262094 Lot No. 72523, Geran 262095 Lot No. 72524, Geran 262096 Lot No. 72525 and HSD 225375 No. PT 35685, HSD 225374 No. PT 35684 shall be used for commercial and the alienated land held under HSD 230998 No. PT 36339 shall be used for petrol station purposes	132,240,028	515,000,000	382,759,972
7.	8 parcels of unconverted development land held	SD Property (Nilai)	22 parcels of development land	425.94	The category of land use for the alienated lands held under	132,240,028	515,000,000	382,759,972

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	under Lot 2841, Geran 17083 and 7 others and 14 parcels of development land held under HSD 226778 No. PT 32123 and 24 others, Mukim Setul, District of Seremban, State of Negeri Sembilan, all located within Nilai Implan 2, Nilai, Negeri Sembilan Darul Khusus		known as 'Nilai Implan 2'/ Vacant land/ Freehold		Geran 17083 Lot No. 2841 and 13 others is prescribed as agriculture and the alienated lands held under Geran 2365735 Lot No. 14013 and 2 others is prescribed as 'Nilai' and the alienated lands held under HSD 226778 No. PT 32123 and 15 others are prescribed as building/ The alienated lands for agriculture and building use shall be used for commercial building purposes			
8.	25 parcels of development land held under HSD 217139 No. PT 2335 and 443 others and 2 parcels of on-going residential development land held under Geran 208823 Lot No. 15974 and HSD 220061 - HSD 220238 No. PT 2545 - No. PT 2722, Bandar Nilai Utama, Mukim Setul, District of Seremban, State of	The London Asiatic Rubber and Produce Company Limited ⁽²⁰⁾ / SD Properties Realty SD Nilai Utama	25 parcels of development lands (consist of 16 parcels of commercial development land, 9 parcels of residential development land) and 2 parcels of on-going residential development known as "Kiara Court"	209.53	The category of land use for the alienated lands is prescribed as agriculture and building/	182,460,865	301,600,000	119,139,135

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Negeri Sembilan, all located within Nilai Implan and Nilai Utama, Nilai, Negeri Sembilan Darul Khusus		which comprises apartment developments and "Laman Azalea 2" which comprises 178 units of double storey terraced house within Nilai Implan and Nilai Utama/		The alienated lands held under HSD 205147 No. PT 1220 and HSD 205144 No. PT 1217, Geran 208739 Lot No. 15778, Geran 212786 Lot No. 15955, Geran 212790 Lot No.15953, HSD 230618 No. PT 3272, HSD 230619 No. PT 3273 and HSD 230620 No. PT 3274 and HSD 205137 No. PT 30762 shall be used for long-term farming only, the alienated land held under HSD 217139 - HSD 217166 No. PT 2335 - PT 2362, HSD 236240 - HSD 236261 No. PT 3378 - PT 3399, HSD 226444 - HSD 226558 No. PT 2848 - PT 2962, and HSD 228602 - HSD 228789 No. PT 3057 - No. PT 3244, No. PT 2545 - No. PT 2722 and Geran 208823 Lot No. 15974 shall be used for residential, the alienated land held under HSD 136202 No. PT 24331 is prescribed for petrol station only and the rest of titles shall be used for commercial building purposes			
			Vacant land and on-going developments/					
			Freehold					

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
9.	3 parcels of agricultural land held under Geran 234988 Lot No. 1711 and 7 others identified as Labu Estate, Geran 233004 Lot No. 846 and 8 others identified as "New Labu (Main Division) Estate" and Geran 64560 Lot No. 1554 and 4 others identified as New Labu (Kirby) Estate, all within Mukim Labu, District of Seremban, State of Negeri Sembilan	Kumpulan Tebong Sdn Bhd (in respect of parcel of Geran 234989 Lot No. 1713); Consolidated Plantations Berhad (in respect of parcel of GM 3399 Lot No. 1624); SD Plantation (in respect of the remaining parcels)/ SD Property	3 parcels of agricultural lands with development as potential known as "Labu Estate", "New Labu (Main Division) Estate" and "New Labu (Kirby) Estate"/ Oil palm/ Freehold	1,880.35	The category of land use for the alienated land is prescribed as agriculture and 'Nil'/ The alienated lands held under Geran 234988 Lot No. 1711, Geran 187296 Lot No. 38438 and Geran 234989 Lot No. 1713 shall be used for agriculture only, the alienated lands held under Geran 233004 Lot No. 846 and 16 others shall be used for long-term palm oil plantation purposes	689,587,408 Refer to note (21)	690,000,000	412,592
10.	34 units of 3-storey semi-detached houses held under HSD 225755 Lot PT 2483 and 33 others, Mukim Pekan Bukit Kepayang, District of Seremban, State	SD Chemara	34 units of 3-storey semi-detached house known as 'Castilla 2' and 22 plots of detached houses forming part	5.52	The category of land use for the alienated lands is prescribed as building/ The alienated lands shall be used for residential purposes	44,035,687	43,760,000	(275,687)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	of Negeri Sembilan, located along Jalan Bukit Chemara 5 and 6, all within Chemara Hills, Seremban, Negeri Sembilan Darul Khusus, 22 units of detached house plots held under HSD 225676 No. PT 2469 and 21 others, Pekan Bukit Kepayang, District of Seremban, State of Negeri Sembilan, located along Jalan Bukit Chemara 5, Chemara Hills, all forming under Chemara East development		of "Chemara Hills" development/ Residential and vacant land/ Freehold					
Johor	17 parcels of development land held under HSD 36658 PTD No. 14413 and 16 others, Mukim Jorak, District of Muar, State of Johor	SD Pagoh and SD Plantation (in respect of Geran 530832 Lot No. 20934) ⁽²⁰⁾ / SD Pagoh	16 parcels of land designated for various development uses and a parcel of agriculture land forming part of the development components within 'Bandar Universiti Pagoh'	2,861.42	The category of land use for the alienated lands is prescribed as agriculture, building and 'Nil'	227,921,016	681,000,000	453,078,984
1.					The alienated land held under HSD 36663 PTD No. 14418, HSD 36664 PTD No. 14419 and HSD 36665 PTD No. 14420 shall not be sold or			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
			On-going development and partly cultivated with oil palm/ Leasehold (in respect of all titles), freehold (in respect of Geran 530832 Lot No. 20934)		transferred to a non-Malaysian citizen or foreign company without the consent of the state authority/ The alienated lands held under HSD 36658 PTD No. 14413, HSD 36661 PTD No. 14416, HSD 36653 PTD No. 14408, HSD 36655 PTD No. 14410, HSD 36659 PTD No. 14414, HSD 36654 PTD No. 14409, HSD 36652 PTD No. 14407, HSD 36656 PTD No. 14411, HSD 36657 PTD No. 14412, Pajakan Negeri 69624 Lot No. 20648 (formerly PTD No. 14415) shall be used for agriculture for oil palm cultivation, the alienated lands held under HSD 36665 PTD No. 14420, HSD 36663 PTD No. 14418 and HSD 36664 PTD No. 14419 shall be used for residential building, the alienated land held under HSD 36670 PTD No. 14425 shall be used for commercial building and the alienated land held			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
1.	A parcel of industrial development land held under HSD 4105 No. PT 441, Mukim Padang Meha, District of Kulim, State of Kedah, located off Kulim-Baling main road, Padang Meha, Kedah Darul Aman	Highlands & Lowlands Berhad/ SD Property (Bukit Selarong)	A parcel of industrial development land/ Cultivated with oil palm/ Freehold	300	under HSD 36673 PTD No. 14428 and HSD 36672 PTD No. 14427 shall be used for mixed development purposes	5,686,227	65,000,000	59,313,773
					The category of land use for the alienated land is prescribed as industrial/ Landlord is prohibited from undertaking any development on the land unless the landlord builds and maintains a safe way and place stones and tar according to the standard determined by the public works department and builds drains to the satisfaction of the local authority or public works department or has obtained guarantee of the local authority or public works department that the safe way and drain can be completed/			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
2.	A parcel of development land held under part of Geran 89719, Lot No. 1141, Bandar Kulim, District of Kulim, State of Kedah, located along Karangan-Padang Serai main road, Padang Serai, Kedah Darul Aman	Golden Hope Plantations (Peninsular) Sdn Bhd ⁽²⁰⁾ and SD Properties Realty/ SD Properties Realty	A parcel of development land zoned for residential use known as "Victoria Estate" Partly oil palm and partly semi-permanent buildings ⁽¹⁹⁾ / Freehold	71.22	The alienated land shall be used for heavy industrial sites purposes The category of land use for the alienated land is prescribed as agriculture/ The alienated land shall be used for rubber estate purposes	6,629,347	12,700,000	6,070,653
3.	12 parcels of vacant terraced shop/house plot and 119 parcels of vacant terraced house plot held under Geran 53967 Lot No. 882 and 130 others, Mukim Sedim, District of Kulim, State of Kedah, located within Taman Sungai	Kumpulan Jerai Sendirian Berhad ⁽²⁰⁾ / Syarikat Perumahan Guthrie	12 parcels of vacant terraced shop/house plots and 119 parcels of vacant terraced house plots/ Cultivated with oil palm/	4.26	The category of land use for the alienated land is prescribed as building/ Landlord is prohibited from undertaking any development on the land unless the landlord builds and maintains a safe way and place stones and tar	213,100	500,000	286,900

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Dingin, Kulim, Kedah Darul Aman		Freehold		according to the standard determined by the public works department and build drains to the satisfaction of the local authority or the public works department that the safe way and drain can be completed/			
4.	286 units of semi-detached house plot, 314 units of detached house plot, 8 parcels of developments land, 4 parcels of land designated for Tenaga Nasional Berhad's ("TNB") use, held under Geran 195837 Lot No. 4562 and 611 others and 14 parcels of development land held	SD Property (Utara) (previously known as Harvard Jerai Development and Jerai Golf & Country Club Sdn Bhd) (in respect of parcels held	286 units of semi-detached house plots, 314 units of detached house plots, 8 parcels of development land, 4 parcels of land designated for TNB's use and 14 parcels of development land known as "Harvard	927.7	The category of land use for the alienated lands is prescribed as building, agriculture and 'Nil'// Landlord is prohibited from undertaking any development on the land unless the landlord build and maintain a safe way and place stones and tar according to the standard	36,181,757	106,600,000	70,418,243

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	under Geran 175683 Lot No. 4550 and 13 others, Bandar Gurun, District of Kuala Muda, State of Kedah, all located within Harvard Suasana Resort and Jerai Estate, Gurun, Kedah Darul Aman	under GM 887 Lot No. 31, Geran 85752 Lot No. 5804, Geran 85719 Lot No. 5589, Geran 85722 Lot No. 5594, Geran 85721 Lot No. 5593 and Geran 85751 Lot No. 5802, Kumpulan Jerai Sendirian Berhad (in respect of parcels held under Geran 62429 Lot No. 6784, Geran 85708 Lot No. 4645, Geran 175683 Lot No. 4550, Geran 181744 Lot No. 1292, Geran 181745 Lot No. 1084, GM 1372	Suasana Resort" and "Jerai Estate"/ Partly oil palm, partly vacant land and partly with buildings Building erected in the land located within Harvard Suasana Resort include: - Sri Maha Muthu Mariamman Temple, a Hindu temple recognised by SD Plantation erected on the land of 0.5 acres held under the HSD 72124 No. PT 4303, Bandar Gurun, District of Kuala Muda, State of Kedah		determined by work department and build drains to the satisfaction of the local authority or work department or has obtained guarantee of the local authority or work department that the safe way and drain can be completed for Geran 181744 Lot No. 1292 Section 6 and Geran 181745 Lot No. 1084 Section 6 in Jerai Estate as well as in Harvard Suasana Resort/ The alienated lands shall be used as sites for residential, commercial (clubhouse and TNB sites) and future development, the alienated land held under Geran 181745 Lot No. 1084 Section 6 and Geran 181744 Lot No.1292 Section 6, Geran 195885 Lot No. 4598 and Geran 195847 Lot No. 8188 shall be used as site for future development for residential, the alienated land held under Geran 195898 Lot No. 6215 shall be used as sites			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
		Lot 8957 and GM 1373 Lot No. 8956), SD Property (Utara) and Kumpulan Jerai Sdn Bhd (in respect of HSD 135/93 No. PT 1271 and the remaining 607 titles) and SD Property (Utara) and Kumpulan Jerai Sdn Bhd (in respect of parcels Geran 195898 Lot No. 6251, Geran 195895 Lot No. 4601, Geran 195896 Lot No. 8183, Geran 195897 Lot No. 8204 and Geran 195873 Lot No. 4586) ⁽²⁰⁾	Building erected in the land located within Jerai Estate include: - Sri Maha Mariamman Temple, an unauthorised Hindu temple erected on the land of 0.037 acres held under Geran 175683 Lot No. 4550, Bandar Gurun, District of Kuala Muda, State of Kedah		for golf course, the alienated land held under Geran 195894 Lot No. 8203 shall be used as sites for commercial building (clubhouse), the alienated lands held under HSD 72124 No. PT 4303, Geran 111829 Lot No. 11070, Geran 113579 Lot No. 11275, HSD 72123 No. PT 4302, HSD 63984 No. PT 6576 and Geran 113648 Lot No. 11345 shall be used as sites for future development and the alienated lands held under the remaining titles shall be used for rubber estate purposes/ The alienated land held under HSD 63984 No. PT 6576, Geran 113864 Lot No. 11382, Geran 113685 Lot No. 11383, Geran 113690 Lot No. 11388 and Geran 113692 Lot No. 11390 are charged to CIMB (L) Limited			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
			- Sri Santhigani Temple, an unauthorised Hindu temple erected on the land of 1.0 acres held under Geran 85752 Lot No. 5804, Bandar Gurun, District of Kuala Muda, State of Kedah					
		SD Property (Utara)	- Tamil primary school, erected on the land of 4.0 acres held under Geran 85752 Lot No. 5804, Bandar Gurun, District of Kuala Muda, State of Kedah					
			- Sri Maha Mariamman Temple, a Hindu temple recognised by SD Plantation					

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
			erected on the land of 0.83 acres held under Geran 85751 Lot No. 5802, Bandar Gurun, District of Kuala Muda, State of Kedah					
			Illegal squatters on the land of 0.908 acres held under GM 887 Lot No. 31, the land of 0.221 acres under Geran 181745 Lot No. 1084 and on part of the land held under Geran 62429 Lot No. 6784 respectively, all within Bandar Gurun, District of Kuala Muda, State of Kedah					

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
			- 2 buildings consist of a restaurant and roti canai stall with a built up area of 7,200 sq ft erected on the land held under Geran 181744 Lot No. 1292 Bandar Gurun, District of Kuala Muda, State of Kedah /					
			Freehold					
Sabah								
1.	7 adjoining parcels of agricultural land and 2 parcels of land designated for road reserve, all zoned for residential use identified as Country Lease No. 245364685 Lot No. 1, Country Lease No. 245364694 Lot No. 2,	Sime Darby Plantation (Sabah) Sdn Bhd ⁽²⁰⁾ SD Properties (Sabah) ⁽¹⁾	7 adjoining parcels of agricultural land zoned for residential use and 2 parcel of lands designated for road reserve use, known as "Mostyn Estate"	107.42	The category of land use for the alienated lands is prescribed as agriculture/ In respect of Lot Nos. 1-7: The lands hereby alienated shall be planted with oil palm to the satisfaction of the Director of Agriculture. The lessees must complete planting the	603,528	6,000,000	5,396,472

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Country Lease No. 245364701 Lot No. 3, Country Lease No. 245364710 Lot No. 4, Country Lease No. 245364729 Lot No. 5, Country Lease No. 245364738 Lot No. 6, Country Lease No. 245364747 Lot No. 7, Country Lease No. 245364854 Road Reserve 1 and Country Lease No. 245364863 Road Reserve 2, all within locality of Mostyn Estate, District of Kunak, State of Sabah		Cultivated with oil palm/ Leasehold		whole area of the land by the 31 December 1962, provided that this period may be extended at the discretion of the Chief Secretary In respect of Road Reserve 1 and Road Reserve 2: The said land is demised expressly and only for the purpose of road reserve. Subdivision of the title is prohibited. Transfer, sublease or charge of the title is prohibited except to the director of public works or the title may be surrendered to the state government or the relevant authority after the fulfilment of the owner covenants. The state government retains the right to acquire the said land which in its opinion is necessary for any public purpose without payment of compensation. The owner covenants to complete the development of the said road reserve in			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
2.	A parcel of agriculture land zoned for residential use identified as Country Lease No. 245364792 Lot No. 12, Locality of Mostyn Estate, District of Kunak, State of Sabah	Sime Darby Plantation (Sabah) Sdn Bhd ⁽²⁰⁾ SD Properties (Sabah)	A parcel of agriculture land zoned for residential use known as "Mostyn Estate" / Cultivated with oil palm/ Leasehold	36.99	accordance with the approved development plan or subdivision plan and to maintain it to the satisfaction of the director of public works or the relevant authority The category of land use for the alienated land is prescribed as agriculture/ The land alienated shall be planted with oil palm to the satisfaction of the Director of Agriculture. The lessees must complete planting the whole area of the land by the 31 December 1962, provided that this period may be extended at the discretion of the Chief Secretary	197,616	3,000,000	2,802,384

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
Australia								
1.	A development land held under Lot 1014 on Survey Plan 287588 under Community Management Statement No. 28389 and 34 unsettled completed lots located in Stage 5	SD Serenity Cove	A development land and 34 unsettled completed lots located in Stage 5, Stage 16 and Stage 17	65.20	The development component is ascribed for 3 land uses – 'Urban Development', 'Residential Unit Area' and 'Low Rise Hotel Area'	124,655,286	191,607,432 ⁽⁶⁾	66,952,146
	Lots 280 & 285 on Survey Plan 159254 under Community Management Statement No. 28389, Stage 16 Lots 302, 304, 306, 311 – 313, 336, 337 & 340 – 348 on Survey Plan 287588 under Community Management Statement Nos. 28389 and 49908, Stage 17 Lots 315 – 322 & 325 – 332 on Survey Plan 287589 under Community Management Statement Nos. 28389 and 49908, all located along Serenity Boulevard, Helensvale, Queensland 4212, Australia		Vacant land/ Fee simple ⁽²⁾ subject to vacant possession		Refer to note (10)			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

(b) The details of material lands used for on-going developments or held for development of our material associates and material joint ventures as at the LPD are as follows:

No	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
Malaysia								
Within Klang Valley								
1.	An on-going "PJ Midtown" development held under Pajakan Negeri 110526 Lot No. 10147, Section 13, Bandar Petaling Jaya, District of Petaling, State of Selangor, located along Jalan Kemajuan, Petaling Jaya, Selangor Darul Ehsan	PJ Midtown Development Sdn Bhd ⁽¹³⁾	The on-going commercial development for the proposed "PJ Midtown" development/ On-going development/ Leasehold	5.54	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for commercial building purposes	221,239,050	190,000,000	(31,239,050)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
2.	2 parcels of development land held under Geran 323024 Lot No. 91994 and Geran 74697 Lot No. 78377, Mukim Damansara, District of Petaling, State of Selangor, located within Persiaran Tebar Layar, Section U8, Bukit Jelutong, Selangor Darul Ehsan	Highlands & Lowlands Berhad/ Sime Darby Sunrise Development Sdn Bhd ⁽¹⁴⁾	On-going development of "Radia Bukit Jelutong" On-going development/ Freehold	20.95	The category of land use for the alienated lands is prescribed as building/ The alienated lands shall be used for commercial building purposes	411,374,276	407,530,000	(3,844,276)
United Kingdom								
1.	An on-going development held under TGL196480 (Phase 1) - land lying to the east of Queenstown Road, London, TGL171520 (Phase 1) - Battersea Park Boiler House, Battersea Park, London, TGL160633 (Phases 2, 3 and 6) - Battersea Power Station site, Battersea Park Road, London, TGL183574 (Phases 4) - land on the north side of Battersea	Battersea Project Land Company Limited ⁽¹⁵⁾ (in respect of TGL196480, TGL171520, TGL160633), TGL183574, TGL115204, TGL115737 and 233558	Mixed use development site (residential/commercial/retail), involving the construction of 6 phases of a residential led masterplan including the redevelopment of the iconic Power Station building on the	40.00	<u>TGL196480 (Phase 1):</u> Refer to Notes 4(i)(a),(b),(c),(d) and (f), 4(ii), 4(iv), 4(v), 4(vi) and 4(ix); <u>TGL171520 (Phase 1):</u> Refer to Notes 4(i)(a),(b),(c),(d) and (f), 4(ii), 4(iv), 4(v), 4(vi) and 4(ix);	9,224,357,641	5,429,664,130 ⁽⁷⁾	(3,794,693,511)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Park Road, London, TGL115204 (Phase 5) - land on the east side of Kirling Street, London, TGL115737 (Phase 6) - Unit 8, Brooks Court, Cringle Street, London, 233558 (Phase 5) - land and buildings on the north west side of Battersea Park Road, TGL266847 (Phase 4A) - freehold land on the north east side of Sleaford Street, London, TGL368928 (Phase 4A) - freehold land on the north east side of Sleaford Street, London, SGL364211 (Phase 4A) - freehold land and buildings on the south west side of Sleaford Street, London and TGL407364 (Phase 4A) - land at Thessaly Road, London	Battersea Project Phase 4A Company Limited ⁽¹⁵⁾ (in respect of TGL266847, TGL368928, SGL364211 and TGL407364)	banks of the River Thames/ Freehold		<u>TGL160633 (Phases 2, 3 and 6):</u> Refer to the Notes 4(i)(a),(b), (c), (d), (e), (f), (g), 4(ii), 4(iii), 4(iv), 4(v), 4(vi), 4(ix) and 4(x); <u>TGL183574 (Phases 4):</u> Refer to Notes 4(i)(a), (g), 4(ii), 4(iv), 4(v), 4(vi) and 5(xi); <u>TGL115204 (Phase 5):</u> Refer to Notes 4(i)(a), (b), (c), (d), 4(ii), 4(iv), 4(v), 4(vi) and 4(xii); <u>TGL115737 (Phase 6):</u> Refer to Notes 4(i)(a), (b), (d), 4(ii), 4(v), 4(vi) and 4(xii); <u>233558 (Phase 5):</u> Refer to Notes 4(i)(a), (b), (c), (d), 4(ii), 4(iv), 4(v), 4(vi) and 4(xii);			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Existing use/ Tenure	Land area (approximate) (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
					<u>TGL266847 (Phase 4A):</u> Refer to Notes 4(i)(c) and (h) and 4 (vii);			
					<u>SGL364211, TGL407364</u> (Phase 4A): Refer to Notes 4(i)(c) and (h),			
					<u>TGL368928 (Phase 4A):</u> Refer to Notes 4(i)(c) and (h) and 4(viii)			

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)**(iii) Details of material investment properties of our Group, material associates and material joint ventures**

(a) The details of our material investment properties as at the LPD are as follows:

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC or certificate of fitness for occupation	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
Malaysia									
Within Klang Valley									
1.	2 units of 3-storey terrace shop/office and 1 unit of 3-storey commercial building known as "Guthrie Pavilion" erected on the lands held under Geran 58883 Lot No. 64297, Geran 58878 Lot No. 64292 and Geran 68654 Lot No. 64406, Mukim Damansara, District of Petaling, State of Selangor, located at No. 2 and 12, Jalan Astaka U8/L and No. 2A, Persiaran Tebar Layar, within Seksyen U8, Bukit	SD Property Management (in respect of Geran 68654 Lot No. 64406) and Highlands and Lowlands Berhad (in respect of Geran 58883 Lot No. 64297, Geran 58878 Lot No. 64292, and Geran 68654 Lot No. 64292)	2 units of 3-storey terrace shop/office and 1 unit of 3-storey commercial building known as "Guthrie Pavilion"/ 18 and 19 years/ The 3-storey terrace shop/office, Geran 58878 Lot No. 64292 - (1st & 2nd floor), tenanted to AZ Flowtech Sdn Bhd for 2 years starting February 2017 and "Guthrie Pavilion", Geran 68654 Lot No. 64406, part of ground	12 December 1999 for building erected on Geran 58883 Lot No. 64297 and Geran 58878 Lot No. 64292, and 12 November 1998 for building erected on Geran 68654 Lot No. 64406	109,991 of net lettable area/ 6.73	The category of land use for the alienated lands is prescribed as building/ The alienated lands shall be used for commercial building purposes	25,592,377	61,280,000	35,687,623

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC or certificate of fitness for occupation	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Jelutong, Shah Alam, Selangor Darul Ehsan		floor to the rooftop is currently leased to Malaysia Logistics Innovation Berhad for 10 years commencing from 1 July 2012 to 30 June 2022/ Freehold						
2.	A 6-storey commercial building known as Wisma Zuellig held under Pajakan Negeri 3653 Lot No. 8 Section 13, Bandar Petaling Jaya, District of Petaling Jaya, State of Selangor, located at No. 9, Jalan Bersatu 13/4, Section 13, Petaling Jaya, Selangor Darul Ehsan	Sime Wood Industries	A 6-storey commercial building known as "Wisma Zuellig"/ 24 years/ The commercial building will be tenanted to the Libaran Venture Sdn Bhd for 4 fixed terms of 3 years with an option to renew the tenancy for an additional two terms	23 April 1993	79,589 of net lettable area/ 2.486	The category of land use for the alienated land is 'Nil'/ The alienated land shall be used for industrial purposes	14,485,424	36,814,002	22,328,578

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC or certificate of fitness for occupation	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
3	A 5-storey office building known as Wisma Guthrie held under HSD 32164 No. PT 939 and HSD 32166 No. PT 941, Mukim Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, located at 21, Jalan Gelenggang, Damansara Heights, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	SD Property Holdings	of 3 years each commencing from 27 June 2016 for Specialist Hospital Rehabilitation Centre/ Leasehold for 99 years expiring on 2059 A 5-storey office building known as "Wisma Guthrie"/ 35 years/ Office building and open car park area. The office building is currently leased to the Mass Rapid Transit Corporation Sdn Bhd for a term of 3 years with an option to renew an additional 2-year term commencing from 1	20 June 2002	61,875 of net lettable area/ 0.82	The category of land use for the alienated lands is prescribed as building	10,459,569	36,400,000	25,940,431

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC or certificate of fitness for occupation	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
			December 2014 to 30 November 2017 ⁽²²⁾						
			Freehold						
4.	A parcel of land held under Pajakan Negeri 7210 Lot No. 17394, Mukim Damansara, District of Petaling, State of Selangor, located in Taman Subang Ria, Off Jalan SS12/1, Subang Jaya, Selangor Darul Ehsan	SD Property (Subang) (formerly known as Sime UEP Centre Sdn Bhd)	A parcel of land known as Taman Subang Ria/ N/A/ Vacant land/ Leasehold	N/A	N/A/ 72.62	Prior written consent of state authority is required for any transfer, lease or charge of the alienated lands/ The alienated land shall be used for recreation and buildings related to recreational purposes	1	110,000,000	109,999,999
5.	An on-going commercial development known as the "Quarza KL East" held under Geran 76455 Lot No. 200694, Mukim Setapak, District of Kuala Lumpur.	SD Melawati (formerly known as Melawati Development Sdn Bhd)	An on-going commercial development land approved for 8-level office, retail commercial podium "Quarza Mall", collectively known as the "Quarza KL East"	N/A	N/A/ Nil ⁽⁹⁾	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for serviced apartments,	161,948,009	Nil ⁽⁹⁾	(161,948,009)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC or certificate of fitness for occupation	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Wilayah Persekutuan Kuala Lumpur	SD Property (Sungai Kapar)	within KL East development/ N/A/ On-going development/ Freehold			office and commercial purposes			
6.	A development land held under part of Geran 78335 Lot No. 201057, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, within KL East development	SD Melawati (formerly known as Melawati Development Sdn Bhd)	A development land within KL East development/ N/A/ Leased to KYS College Sdn Bhd for 30 years commencing from 1 March 2016 to 28 February 2046/ Freehold	N/A	N/A/ 6.00	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for residential building for town apartment purposes	18,039,147	34,500,000	16,460,853
7.	2 parcels of land in Phase 2A held under	SD Ampar Tenang	9 parcels of agricultural land with	N/A	Refer to note (12)	The category of land use for the alienated	3,395,312	Refer to note (12)	Refer to note (12)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC or certificate of fitness for occupation	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	HSD 39897 No. PT 55383 and HSD 39898 No. PT 55384; 3 parcels of land in Phase 2 held under HSD 39899 No. PT 55385, HSD 39901 No. PT 55387 and HSD 39902 No. PT 55388; and 4 parcels of lands in Phase 3 held under HSD 39903 No. PT 55389, HSD 39904 No. PT 55390, Geran 332584 Lot No. 115633 and part of Geran 332585 Lot No. 115634, Mukim Dengkil, District of Sepang, State of Selangor		development potential in Phase 2A, Phase 2 and Phase 3 of the on-going township development of Bandar Serenia/ N/A/ Oil palm/ Freehold			lands is prescribed as agriculture/ The alienated land shall be used for permanent agriculture (industrial) purposes			
8.	Office building known as "Oasis Square" held under Geran 313839 Lot No. 81136, Mukim	SD Ara Damansara (formerly known as Sime Plimoor	12-storey office building (block F) and basement car parks at "Oasis Square", Ara Damansara/	10 September 2010	173,124 of net lettable area (with 2,877 bays)/	The category of land use for the alienated land is prescribed as building/	153,049,997	196,310,000	43,260,003

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC or certificate of fitness for occupation	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
2.	2 parcels of land for golf course and clubhouse held under Geran 195893 Lot No. 4577, Section 7 and Geran 113737 Lot No. 11437, Bandar Gurun, District of Kuala Muda, State of Kedah, located within Harvard Suasana Resort, Gurun, Kedah Darul Aman	SD Property (Utara) and Kumpulan Jerai Sendirian Berhad ⁽²⁰⁾ SD Property (Utara)	An 18-hole golf course land known as "Harvard Golf & Country Club" N/A Golf course/ Freehold	N/A	N/A/ 200.27	The category of land use for the alienated land is prescribed as building/ The alienated land held under Geran 195893 Lot No. 4577 shall be used as sites for commercial building only (clubhouse) and the alienated land held under Geran 113737 Lot No. 11437 shall be used as sites for golf course purposes	6,487,655	30,500,000	24,012,345

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC or certificate of fitness for occupation	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition		Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
3.	A parcel of hotel land held under Geran 196892 Lot No. 4576 Section 7, Bandar Gurun, District of Kuala Muda, State of Kedah, located within Harvard Suasana Resort, Gurun, Kedah Darul Aman	SD Property (Utara) and Kumpulan Jerai Sendirian Berhad ⁽²⁰⁾ SD Property (Utara)	A 82-room hotel land known as "Harvard Suasana Hotel" N/A/ Hotel/ Freehold	N/A	N/A/ 5.66		The category of land use for the alienated land is prescribed as building/ The alienated land shall be used as a site for commercial building (hotel site) purposes	183,350	2,000,000	1,816,650

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

(b) The details of material investment properties owned by our material associates and material joint ventures as at the LPD are as follows:

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
Malaysia									
Within Klang Valley									
1.	A shopping mall known as "Shaw Centrepoint" held under Geran 185615, Lot No. 40734, Section 21, Bandar Klang, District of Klang, State of Selangor, located along Jalan Raja Hassan, Klang, Selangor Darul Ehsan	Shaw & Sons (Kuala Lumpur) Sdn Bhd ⁽¹⁶⁾	A shopping mall known as "Shaw Centrepoint" with 6 ½ level of retail space and a 3 ½ level of car park/ 20 years/ Shopping mall/ Freehold	28 July 1997	227,269 of net lettable area/ 1.494	N/A	71,082,425 ⁽¹¹⁾	100,000,000	28,917,575
2.	A 7-storey retail cum car park podium together with 1 basement level known as "Shaw Parade" held under Geran 12358 Lot No. 997 Section 62, Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan	Shaw Plaza Sdn Bhd ⁽¹⁶⁾	A 7-storey retail known as "Shaw Parade" cum car podium together with 1 basement level/ 42 years/ Shopping mall/	21 April 1994	155,253 of net lettable area/ 1.72	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for commercial purposes	68,798,219 ⁽¹¹⁾	55,000,000	(13,798,219)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Kuala Lumpur, located at No.152, Changkat Thambi Dollah, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur		Freehold						
3.	Retail mall known as "Melawati Mall" held under HSD 73871 No. PT 5036, Section 1, Bandar Ulu Kelang, District of Gombak, State of Selangor	Sime Darby Capital Land (Melawati Mall) Sdn Bhd ⁽¹⁷⁾	A 11 1/2-storey retail mall known as "Melawati Mall" Less than 1 year year/ Shopping mall/ Freehold	5 May 2017	613,995 of net lettable area (1,941 parking bays) ⁽¹⁸⁾ 5.56	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for commercial building purposes/ The alienated land is charged to RHB Bank Berhad vide Presentation No. 13885/2013 dated 26 December 2013	570,367,853	574,110,351	3,742,498

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)**(iv) Details of material property, plant and equipment owned by our Group, material associates and material joint ventures**

(a) The details of our material property, plant and equipment as at the LPD are as follows:

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
Malaysia									
Within Klang Valley									
1.	A sports complex known as "The Bayuemas Sport Complex" located on 4 plots of land held under HSD 144392 No. PT 136829, HSD 144393 No. PT 136830, HSD 144394 No. PT136832 and HSD 144395 No. PT 136833, Mukim Klang, District of Klang, State of Selangor, located at The Bayuemas Sport Complex, Jalan Bayu 17/KS9, off Jalan Pandamaran, Kota Bayuemas, Klang, Selangor Darul Ehsan	SD Property Holdings	A sports complex known as "The Bayuemas Sport Complex" which provides for cricket and lawn bowl sports facilities on 4 plots of land/ 7 to 14 years/ Sports complex/ Freehold	N/A ⁽³⁾	119,847/ 21.98	The category of land use of the alienated lands is prescribed as building/ The alienated land held under HSD 144392 No. PT 136829 shall be used as residential building, the alienated land held under HSD 144393 No. PT 136830 shall be used for private sport field, the alienated land held under HSD 144394 No. PT 136832 shall be used for private recreation field and the alienated land held under HSD 144395 No. PT 136833 shall be	39,231,196	62,600,000	23,368,804

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
2.	18-hole golf and country club held under 9 parcels of land identified as HSD 167704 No. PT 36968, Geran 121759 Lot No. 34454, Geran 121771 Lot No. 34472, Geran 122026 Lot No. 34726, Geran 122027 Lot No. 34731, Geran 122021 Lot No. 34736, HSD 31469 No. PT 27954, HSD 31532 No. PT 27956 and HSD 47919 No. PT 36969, Bandar Kajang, Mukim Kajang, District of Ulu Langat, State of Selangor, located along Jalan Impian Gemilang, Saujana Impian, Seksyen 9, Bandar Kajang, Mukim Kajang, District of Ulu Langat, Selangor Darul Ehsan	Impian Golf and Country Club	The 18-hole Impian Golf and Country Club/ 19 years/ Golf course/ Freehold	22 October 1997	66,515 of gross floor area/ 149.28	used for commercial building purposes ⁽³⁾ The category of land use of the alienated lands is prescribed as building/ The alienated lands shall be used for golf course, commercial building and high-rise residential purposes	55,919,309	64,000,000	8,080,691

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
3.	Office building erected on "Oasis Square" held under Geran 313839 Lot No. 81136, Mukim Damansara, District of Petaling, State of Selangor	SD Ara Damansara (formerly known as Sime Pijlmoor Development Sdn Bhd)	12-storey office building known as "Block G within Oasis Square" 7 years/ Commercial office. The office building is fully tenanted, with 98% of net lettable area tenanted to SD Property commencing from 7 March 2011 to 6 March 2020 and 2% of the net lettable area leased to Maybank Banking Berhad commencing from 1 September 2011 to 31 August 2020/ Freehold	3 September 2010	168,198 of net lettable area/ N/A	The category of land use for the alienated lands is prescribed as building/ The alienated land shall be used for commercial building purposes/ Part of the land has been leased to TNB for a period of 30 years commencing on 15 January 2016	77,367,627	109,000,000	31,632,373

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
4.	Car park located at Oasis Corporate Park held under Geran 317343 Lot No. 92087, Mukim Damansara, District of Petaling, State of Selangor	SD Ara Damansara/ SD Brunfield Damansara	On grade and basement car park of "Oasis Corporate Park"/ 1 year/ Car park/ Freehold	N/A	851,434 of gross floor area (1,722 bays)/ N/A	The category of land use of the alienated land is prescribed as building/ The alienated land shall be used for commercial building purposes	39,207,214	49,065,000	9,857,786
5.	Golf course erected on the land held under Pajakan Negeri 51460 Lot No. 480549 and Pajakan Negeri 51458 Lot No. 480550, Mukim Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan, identified as "Tournament Players Club (TPC)" located at No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Dewan Bandaraya Kuala Lumpur/ KLGCC	A 36-hole golf course together with a clubhouse and other facilities and amenities known as "TPC"/ 7 years/ Golf course/ The alienated land is being leased to KLGCC for an unexpired lease term of	1 November 2011	480,801/ 278.60	The category of land use of the alienated lands is prescribed as building/ Prior written consent of Federal Constitution authority is required for any transfer, lease or charge of the alienated lands/ The alienated land held under Pajakan Negeri 51460 Lot No. 480549 shall be used for golf	255,730,779	400,000,000	144,269,221

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
			approximately 70 years commencing from 6 June 1991 to 6 June 2087			course only and Pajakan Negeri 51458 Lot No. 480550 shall be used for club house purposes			
6.	Sime Darby Convention Centre erected on the land held under Pajakan Negeri 51455 Lot No. 480546, Mukim Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Stableford Development	Sime Darby Convention Centre 12 years/ Convention centre/ Leasehold	1 August 2005	104,012 of net lettable area/ 4.14	The category of land use for the alienated land is prescribed as building/ Prior written consent of Federal Constitution authority is required for any transfer, lease or charge of the alienated lands/ The alienated land shall be used for commercial building for multi-centre purposes	91,837,623	103,000,000	11,162,377

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
Kedah									
1.	Golf course together with a clubhouse held under Geran 195893 Lot No. 4577, Section 7 and Geran 113737 Lot No. 11437, Bandar Gurun, District of Kuala Muda, State of Kedah, located within Harvard Suasana Resort, Gurun, Kedah Darul Aman	SD Property (Utara) and Kumpulan Jerai Sendinian Berhad ⁽²⁰⁾ / Harvard Golf Resort	A 18-hole golf course together with a clubhouse known as "Harvard Golf & Country Club"/ 20 years/ Golf course and clubhouse/ Freehold	N/A	51,211 of gross floor area/ 200.27	The category of land use for the alienated lands is prescribed as building/ The alienated land held under Geran 195893 Lot No. 4577 shall be used as site for commercial building only (clubhouse) and the alienated land held under Geran 113737 Lot No. 11437 shall be used as sites for golf course only purposes	10,384,552	8,500,000	(1,884,552)
2.	A 82-room hotel erected on land held under Geran 195892 Lot No. 4576, Section 7, Bandar Gurun, District of Kuala Muda, State of Kedah	Harvard Jerai Development Sdn Bhd and Kumpulan Jerai Sendinian Berhad ⁽²⁰⁾ / Harvard Hotel	A 82-rooms hotel/ 20 years/ Hotel/ Freehold	N/A	62,178 of gross floor area/ 5.66	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used as a site for commercial building (hotel site) purposes	5,602,739	5,000,000	(602,739)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
1.	Pulau Pinang A parcel of residential land accommodating 2 units of double storey detached building held under Geran 6266, Lot No. 1353, Section 1, Bandar Georgetown, District of Timor Laut, State of Pulau Pinang, located at No. 5, Jalan Cantonment, Pulau Tikus, 10350 Georgetown, Pulau Pinang	Kumpulan Jerai Sendirian Berhad ⁽²⁰⁾ SD Property Holdings	A parcel of residential development land accommodating 2 units of double storey detached building/ Approximately 100 years/ Holiday bungalow/ Freehold	N/A	10,478/ 1.71	The alienated land is a first grade land/ The alienated land shall not be affected by any provision of the National Land Code 1965 ("NLC") limiting the compensation payable on the exercise by the state authority of a right of access or use conferred by Chapter 3 of Part Three of the NLC or on the creation of a land administrator's right of way/ The alienated land is subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years shall revert to the state only if the proprietor for the time being dies without	1,634,609	37,000,000	35,365,391

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 217 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
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heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

(b) The details of material property plant and equipment owned by our material associates and material joint ventures as at the LPD are as follows:

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
Malaysia									
Within Klang Valley									
1.	A 12-storey hotel block known as "Mercure Kuala Lumpur Shaw Parade" held under Geran 12358 Lot No. 997, Section 62, Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan, located at No. 152, Changkat Thambi Dollah, Kuala Lumpur, Wilayah Persekutuan	Shaw Plaza Sdn Bhd ⁽¹⁶⁾	A 12-storey hotel block comprising 213 rooms known as "Mercure Kuala Lumpur Shaw Parade" Less than 1 year/ Hotel/ Freehold	11 January 2017	158,946/ N/A	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for commercial purposes	48,864,793	64,000,000	15,135,207

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)**(v) Details of material inventories of our Group, material associates and material joint ventures**

(a) The details of our material inventories as at the LPD are as follows:

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
Malaysia									
Within Klang Valley									
1.	A 3-storey commercial building known as "The Glades Plaza", 55 semi-detached houses, townhouses and terraced houses held under Geran 331207 Lot No. 91933 and part of Geran 331206 Lot No. 91932, Mukim Damansara, District of Petaling, State of Selangor	SD Putra Heights (formerly known as Sime UEP Heights Sdn Bhd)/ SD USJ Development	A 3-storey commercial building known as "The Glades Plaza", 21 semi-detached houses, 18 townhouses known as "The Encore" and 16 terraced houses known as "The Ensemble"/ 3 years/ Commercial and residential buildings/ Freehold	The Glades Plaza – 7 January 2014 and the remaining properties – 20 May 2014	221,850/ 44.89	The category of land use for the alienated lands is prescribed as building/ The alienated lands shall be used for commercial and residential building purposes	116,125,562	141,600,000	25,474,438

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
2.	13 completed unsold semi-detached house and bungalow units held under HSD 275679 No. PT 28760 and 12 others, Mukim Bukit Raja, District of Petaling, State of Selangor, all forming part of the Denai Alam development scheme located along the Guthrie Corridor Expressway, Section U16, Shah Alam, Selangor Darul Ehsan	SD Property	3 2-storey semi-detached houses, 6 2-storey bungalows and 4 3-storey bungalows, forming part of the Denai Alam development/ 2 years/ Residential/ Freehold	17 May 2013, 27 August 2015 and 13 May 2015	102,819/ 2.36	The category of lands use for the alienated land is prescribed as building/ The alienated lands shall be used for residential building purposes	19,860,257	37,460,000	17,599,743

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
3.	6 units of retail and 21 units of serviced apartment within Block D of Medalla, Oasis Corporate Park held under parent title of Geran 317343 No. PT 92087, Mukim Damansara, District of Petaling, State of Selangor, located within Ara Damansara, Petaling Jaya, Selangor Darul Ehsan	SD Ara Damansara (formerly known as Sime Pilmoor Development Sdn Bhd)/ SD Brunsfield Damansara	6 units of retail and 21 units of serviced apartment within Medalla, Oasis Corporate Park/ 2 years/ Residential and commercial/ Freehold	30 December 2015	46,045/ N/A	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for commercial building purposes	30,050,163	24,820,000	(5,230,163)
4.	83 units of 4-storey stratified terrace villa erected on the land held under Pajakan Negeri 51454 Lot No. 480544, Mukim Kuala Lumpur,	KLGCC	83 units of completed but unsold stratified terrace villas within "East Residence", forming part of the on-going "ALYA	4 November 2015	397,030/ 10.00	The category of land use for the alienated land is prescribed as building/ Prior written consent of Federal	284,562,668	397,000,000	112,437,332

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur		Kuala Lumpur ^o development/ 2 years/ Residential/ 99-year leasehold tenure expiring on 2 April 2111 (the remaining unexpired term is about 93.76 years)			Constitution authority is required for any transfer, lease or charge of the alienated land/ The alienated land shall be used for residential building for condominium, villa and townhouse purposes			
5.	3 units of condominium known as "Ara Hill Condominiums" and 7 units of low-cost apartment in Seri Jati Apartment and Seri Meranti Apartment held under parent title of	SD Ara Damansara	3 units of condominium and 7 units of low-cost apartment/ Ara Hill Condominium – 5.5 years; Seri Jati Apartment and Seri Meranti	Ara Hill Condominium – 10 January 2012; Seri Jati Apartment – 8 February 2006 and Seri Meranti Apartment –	10,184/ N/A	The category of land use for the alienated lands is prescribed as building	1,939,355	4,542,000	2,602,645

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	HSD 288473 Lot No. 80914, HSD 298212 No. PT 35611 and Geran 280084 Lot No. 81120, Mukim Damansara, District of Petaling, State of Selangor, located along Jalan PJU 1A/5, Ara Damansara, Petaling Jaya, Selangor Darul Ehsan		Apartment – 11.5 years/ Residential buildings/ Freehold	19 September 2007					

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBY as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
6.	2 units of 2-storey terrace house held under HSD 286667 No. PT 49857 and HSD 286743 No. PT 49933, Mukim Sungai Buloh, District of Petaling, State of Selangor	SD Elmina	2 units of 2-storey terrace house, in Phase G2A – Clusia and Phase G2B – Aralia, all within "Elmina East" township development/ Less than 1 year/ Residential/ Freehold	Phase G2A – 6 December 2016 and Phase G2B – 6 October 2016	7,100/ 0.20	The category of land use for the alienated lands is prescribed as building/ The alienated lands shall be used for residential building purposes	1,909,565	3,140,000	1,230,435

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBY as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
7.	Teratai Apartment, Melati Apartment and a local trade centre held under Geran 55656 Lot No. 11546, Geran 55657 Lot No. 11557 and Geran 57293 Lot No. 11555, Mukim Bukit Raja, District Petaling, Selangor, State of Selangor, located at Taman Bukit Subang, Section U16, Shah Alam, Selangor Darul Ehsan	Highlands & Lowlands Berhad/ SD Paralimni	18 completed unsold units which consist of 11 low-cost apartments, 6 stratified office units and 1 terrace shop forming part of "Taman Bukit Subang" 19 years/ Residential/ Freehold	12 November 1998	15,537/ N/A	The category of land use for the alienated lands is prescribed as building/ The alienated lands shall be used for high-rise residential and commercial purposes	135,169	1,602,000	1,466,831

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
8.	45 completed unsold units of high-end condominium within "The Veo" erected on Geran 78456 Lot No. 200697, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, located within Phase 1, the on-going KL East development, in the Mukim of Setapak, Wilayah Persekutuan Kuala Lumpur	SD Melawati (formerly known as Melawati Development Sdn Bhd)	45 completed unsold units of high-end condominium known as "The Veo" within "KL East" development/ Less than 1 year/ Residential/ Freehold	28 June 2017	114,837/ 4.18	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for residential building condominium purposes	54,465,764	84,300,000	29,834,236

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
1.	Negeri Sembilan 6 parcels of homestead plot with detached houses held under Geran 185457 Lot No. 30522 and 5 others and 60 parcels of homestead land held under Geran 185391 Lot No. 31302 and 59 others, all within Pekan Nilai, District of Seremban, State of Negeri Sembilan, located within Planters' Haven, Nilai, Negeri Sembilan Darul Khusus	SD Property (Nilai)	6 parcels of homestead plot, each accommodating an individually designated detached house and 60 parcels of vacant homestead plots within the "Planters' Haven" development/ 8 years/ Vacant land and detached houses/ Freehold	7 May 2009 (in respect of Geran 185476 Lot No. 30542 and HSD 109293 No. PT 13118 (Surveyed Lot No. 30470) 25 May 2010 (in respect of Geran 185457 Lot No. 30522, Geran 185492 Lot No. 30560 and Geran 185512 Lot 30579) Geran 185500 Lot No. 30567-	26,222/ 81.14	The category of land use for the alienated lands is prescribed as agriculture/ The alienated lands held under HSD 149659 No. PT 21425, Geran 185391 Lot No. 31302, Geran 185392 Lot No. 31307, Geran 185394 Lot No. 31312, Geran 232429 Lot No. 33100, Geran 232430 Lot No. 33101 and Geran 232431 Lot No. 33102 shall be used for long-term cultivation purposes	40,252,728	49,000,000	8,747,272

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
2.	11 units of 3-storey semi-detached house known as "Castilla 1" held under HSD 225699 Lot PT 2501 and 10 others, 32 units of 2-storey known as "Siphonia 1 and 2" held under HSD 225922 Lot No. 2682 and 31 others, Mukim Pekan Bukit Kepayang, District of Seremban, State of Negeri Sembilan, located at Jalan Bukit Chemara 6 and 7 others, all within Chemara Hills, Negeri Sembilan Darul Khusus	SD Chemara	11 units of 3-storey semi-detached house known as "Castilla 1" and 32 units of 2-storey terraced house known as "Siphonia 1 and 2" within "Chemara Hills" development/ Less than 1 year (in respect of 3-storey semi detached houses) and 2 years (in respect of 2-storey terraced houses)/ Residential/ Freehold	15 February 2017 (in respect of 3-storey semi-detached houses), and 31 December 2015 (in respect of 2-storey terraced houses)	46,870 (built-up area of 11 units of 3-storey semi-detached house) and 86,228 (built-up area of 32 units of 2-storey terraced house)/ 2.43	The category of land use for the alienated lands is prescribed as building/ The alienated lands shall be used for residential purposes	32,964,988	28,640,000	(4,324,988)

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
3.	1 unit of double-storey terraced house held under HSD 216949 No. PT 2145, Nilai Impian, Bandar Nilai Utama, District of Seremban, State of Negeri Sembilan, located at No. 62, Jalan Delfina, Nilai Impian, Nilai, Negeri Sembilan Darul Khusus	The London Asiatic Rubber and Produce Company Limited ⁽²⁰⁾ SD Properties Realty	1 unit of double-storey terraced house in Nilai Impian township/ 3 years/ Residential/ Freehold	2 December 2014	2,128/ 0.034	The category of land use for the alienated land is prescribed as building/ The alienated land shall be used for residential purposes	370,118	500,000	129,882
4.	1 unit of double-storey terraced house and 2 units of apartment held under HSD 219951 No. PT 2435 and parent lot of Geran 206073 Lot No. 15973 respectively, Bandar Nilai	The London Asiatic Rubber and Produce Company Limited ⁽²⁰⁾ SD Properties Realty	1 unit of double-storey terraced house and 2 units of apartment in Nilai Utama township/ 1 year (in respect of the double-storey terraced	26 October 2016 (in respect of the double-storey terraced house) and 1 March 2017 (in respect of the apartments	2,600 (in respect of the double-storey terraced house) and 828 (in respect of each apartment unit)/	The category of land use for the alienated lands is prescribed as building/ The alienated lands shall be used for	966,017	1,250,000	283,983

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate) (sq ft)/ (acres)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
	Utama, District of Seremban, State of Negeri Sembilan, located at No. 35, Jalan Azalea 1/4, Laman Azalea, Unit No. B4-4-2 and B4-4-5, Block B4, D'Camelia Court, Nilai Impian, Nilai, Negeri Sembilan Darul Khusus		house) and less than a year (in respect of the 2 units of apartment)/ Residential/ Freehold	within D'Camelia Court	0.078 (in respect of double-storey terraced house) and N/A (in respect of each apartment unit)	residential purposes			
5.	23 units of double-storey terraced house within Phase 3A ("Abadi") and Phase 3B ("Tenang") held under HSD 225544 No. PT 35871 and 22 others, Mukim Labu, District of Seremban, State of Negeri Sembilan, all located within	SD Plantation ⁽²⁰⁾ / SD Ainsdale	23 units of double-storey terrace house within Phase 3A ("Abadi") and Phase 3B ("Tenang") in Bandar Ainsdale/ 1 year (in respect of Phase 3A) and less than 1 year	25 August 2016 (in respect of Phase 3A) and 12 May 2017 (in respect of Phase 3B)	56,403.06/ 1.06	The category of land use for the alienated land is prescribed as building/ The alienated lands shall be used for residential purposes	12,106,341	13,110,000	1,003,659

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title identification/ Postal address	Name of registered owner/ (Beneficial owner, if applicable)	Description of the property/ Approximate age of building/ Existing use/ Tenure	Date of issuance of CCC	Built-up area/ Land area (approximate)	Category of land use/ Material restriction in interest/ Material encumbrances/ Material express condition	Audited NBV as at 30 June 2017 (RM unless otherwise stated)	Market value as at the date of valuation (RM unless otherwise stated)	Revaluation surplus/ (Deficit)* (RM unless otherwise stated)
			Bandar Ainsdale, Negeri Sembilan Darul Khusus						
			(in respect of Phase 3B)/ Residential/ Freehold						

Notes:

- * The revaluation surplus/deficit is based on a gross amount without taking into consideration deferred taxation and effective equity interest.
- (1) A sale and purchase agreement has been entered into, and as at the LPD, the completion of sale is pending fulfillment of conditions precedent. For Mostyn Estate and New Lunderston Estate, the completion of sale is pending settlement of the purchase price.
- (2) Fee simple means the most extensive form of freehold estate which can be granted under the Land Titles Act 1994 (Qld).
- (3) As at the LPD, the existing land use held under HSD 144392 No. PT 136829 is not in compliance with the category of land use as prescribed by the state authority in the document of title and the CCC for the sports complex has not been issued.
- (4) Battersea Power Station
- (i) The title to the property is subject to the following material restrictions:
- (a) No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge (other than existing charges), is to be registered without a certificate signed by a conveyancer of the registered proprietor in accordance with the requirement imposed by the Transport for London ("TfL").

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

- (b) *No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge (other than existing charges) without a certificate signed by TfL or its conveyancer in accordance with the requirement imposed by the TfL.*
- (c) *No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 29 April 2016 in favour of Standard Chartered Bank.*
- (d) *No disposition of the registered estate (other than a charge) by the proprietor of the registered estate is to be registered without a certificate signed by a conveyancer in accordance with the requirement imposed by the TfL.*
- (e) *No disposition of the part of the registered estate edged and numbered 1, 2, 5 and 7 in brown on the title plan (other than a charge) by the proprietor of the registered estate is to be registered without a certificate signed by a conveyancer in accordance with the lease arrangement entered into with, among others, Apple Europe Limited and Apple Distribution International.*
- (f) *No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 31 October 2013 in favour of CIMB Bank Berhad.*
- (g) *No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated 18 December 2014 in favour of CIMB Bank Berhad.*
- (h) *No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor of the charge dated 19 April 2016 in favour of Standard Chartered Bank.*
- (ii) *The property in relation to TGL196480, TGL171520, TGL160633, TGL183574, TGL115204, TGL115737 and 233558 (including the headleases referred to) is subject to documentation relating to the proposed Northern Line Extension ("NLE"):*
 - (a) *Background*
The NLE is an extension of the London Underground tube system from Kennington through to Battersea. The extension will improve transport links and is essential to support the transformation of Battersea Power Station ("BPS") into a new, vibrant mixed-use town centre, as well as the larger Vauxhall, Nine Elms and Battersea ("VNEB") area. New jobs and homes will be created in the VNEB area as a result of the NLE, including jobs and homes at BPS.
 - (b) *The property in relation to TGL196480, TGL171520, TGL160633, TGL183574, TGL115204, TGL115737 and 233558 (including the headleases referred to) is subject to certain arrangements and encumbrances in favour of TfL.*
- (iii) *Matters encumbering land title TGL 160633:*
The arrangement between (1) The Mayor and Burgesses of the London Borough of Wandsworth (2) Western Riverside Waste Authority (3) Battersea Project Land Company Limited (4) Battersea Project Phase 6 Company Limited (5) Standard Chartered Bank (for the freehold land) and (6) Standard Chartered Bank (for the leasehold land) pursuant to Section 106 of the Town and Country Planning Act 1990 which contains provisions and covenants relating to the development of the land in this title.

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

- (iv) This title is subject to a registered charge dated 29 April 2016 in favour of Standard Chartered Bank.
- (v) Each of the titles is subject to an arrangement made between (1) Battersea Project Land Company Limited (2) Battersea Project Phase 1 Company Limited (3) Battersea Project Phase 2 Company Limited (4) Battersea Project Phase 3 Company Limited (5) Battersea Project Phase 4 Company Limited (6) Battersea Project Phase 5 Company Limited (7) Battersea Project Phase 6 Company Limited (8) Battersea Project Phase 2 Residential Company Limited (9) Battersea Project Phase 3 Residential Company Limited (10) Apple Europe Limited and (12) Apple Distribution International which relates to the grant of rights and restrictive covenants.
- (vi) Each of the titles is subject to a unilateral notice in favour of Apple Europe Limited in respect of a lease made between (1) Battersea Project Phase 2 Company Limited (2) Battersea Project Phase 2 Development Company Limited (3) Battersea Project Holding Company Limited (4) Apple Europe Limited (5) Apple Distribution International (6) Battersea Project Land Company Limited (7) Battersea Project Phase 1 Company Limited (8) Battersea Project Phase 2 Residential Company Limited (9) Battersea Project Phase 3 Company Limited (10) Battersea Project Phase 3 Development Company Limited (11) Battersea Project Phase 4 Company Limited (12) Battersea Project Phase 5 Company Limited (13) Battersea Project Phase 6 Company Limited (14) Battersea Project Phase 2 GP Limited and Battersea Project Phase 2 Normine Company Limited and (15) Battersea Project Phase 2 Refurbishment Company Limited.
- (vii) Matters encumbering land title TGL2266874:
- The land shaded blue on the title plan is subject to the following restrictive covenants pursuant to a transfer dated 6 January 1964 made between (1) The London County Council and (2) Express Dairy Property Limited:
- (a) not without the consent of the London County Council to use the land other than as an extension to the adjoining milk depot; and
- (b) not to erect any buildings on the land shaded blue except in accordance with plans specifications etc. that have been approved by Wandsworth Council.
- An insurance policy dated 23 December 2013 is in place in respect of these restrictive covenants. The insured is Dairy Crest Limited and its successors in title to Sleaford Street, London SW8 5AB. The limit of indemnity is £50 million and the period of insurance is in perpetuity. The insured use that the insurance policy relates to is for demolition and redevelopment of mixed use buildings to provide 294 residential units.
- (viii) Matters encumbering land title TGL368928:
- The property with title number TGL368928 is stated to be title possessory only. This means that the Battersea Project Phase 4A Company Limited has been unable to satisfy the Land Registry by way of sufficient documentary evidence to support the claim that the land is owned by the Battersea Project Phase 4A Company Limited, but that the Battersea Project Phase 4A Company Limited has been able to demonstrate that the Battersea Project Phase 4A Company Limited has been in occupation of the property as owner for a period of time (i.e., a "possessory" interest). Generally the owner of registered title possessory land is entitled to make an application to "upgrade" their title to title absolute once the possessory title has been registered for 12 years. An insurance policy dated 23 December 2013 is in place in respect of this risk associated with the property (title number TGL368928) having title possessory only. The insured is Dairy Crest Limited and its successors in title to Sleaford Street, London SW8 5AB. The limit of indemnity is £50 million and the period of insurance is in perpetuity. The insured use that the insurance policy relates to is for demolition and redevelopment of mixed use buildings to provide 294 residential units.

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

- (ix) Subject to a long (999 year) headlease of the first phase of development at the BPS development site granted on 7 January 2013, by Battersea Project Land Company Limited to Battersea Project Phase 1 Company Limited with title number TGL374267.
- (x) Subject to three separate long (999 year) headleases of the second, third, fourth and sixth phases of development at the BPS development site, each headlease granted on 30 October 2013, by Battersea Project Land Company Limited to (as applicable) Battersea Project Phase 2 Company Limited, Battersea Project Phase 3 Company Limited, Battersea Project Phase 4 Company Limited or Battersea Project Phase 6 Company Limited with title numbers TGL390180, TGL390186, TGL390193 and TGL390210 respectively.
- (xi) Subject to three separate long (999 year) headleases of the third, fourth and sixth phases of development at the BPS site each headlease granted on 30 October 2013, by Battersea Project Land Company Limited to (as applicable) Battersea Project Phase 3 Company Limited, Battersea Project Phase 4 Company Limited and Battersea Project Phase 6 Company Limited with title numbers TGL390186, TGL390193 and TGL390210 respectively.
- (xii) Subject to a long (999 year) headlease of the fifth phase of development at the BPS site granted on 30 October 2013, by Battersea Project Land Company Limited to Battersea Project Phase 5 Company Limited with title number TGL390205.
- (5) 7 blocks of condominium and villas - AL YA Kuala Lumpur
- Parcel A1 and A2
The land parcels are owned by Golfhome Development and to be developed by SD Brunnsfield Resort. As at 30 June 2017, land cost and development costs carried at the land owner's and developer's books are RM85,259,282 and RM23,852,229, respectively.
- Parcel B1 and B2
The land parcels are owned by Ironwood Development and to be developed by SD Brunnsfield Resort. As at 30 June 2017, land cost and development costs carried at the land owner's and developer's books are RM126,477,182 and RM37,095,383, respectively.
- Pursuant to the abovementioned arrangement, the land owner owns the land titles and is not an active party to the development and the land owner will either be entitled to profit sharing or both profit sharing and land sales; the developer develops the land, market and sell the properties.
- (6) Oasis Ara Damansara
- The lands are owned by SD Ara Damansara and to be developed by SD Brunnsfield Damansara.
- Pursuant to the abovementioned arrangement, the land owner owns the land titles and is not an active party to the development and the land owner will either be entitled to profit sharing or both profit sharing and land sales; the developer develops the land, market and sell the properties.
- The on-going 'Oasis Rio' and 'Centro' developments, commercial land approved for development with 3 blocks of office towers and a retail podium, commercial land approved for development with 666 units of serviced apartment and 6 parcels of commercial land. All land parcels are owned by SD Ara Damansara and to be developed by SD Brunnsfield Damansara.
- As at 30 June 2017, land cost and development costs carried at the land owner's and developer's books are RM46,765,526 and RM166,923,476, respectively.

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

- (7) Converted based on the middle rate for GBP to RM as published by Bank Negara Malaysia on 30 June 2017.
- (8) The market value appraised by LandMark White (Gold Coast) Pty Ltd as at 30 September 2017 is exclusive of GST and based on the conversion rate of AUD 1.00 : RM3.3184 being the middle rate published by Bank Negara Malaysia at 12.00 p.m. on 29 September 2017.
- (9) Market value amounting to RM152.8 million for the ongoing commercial developments in Geran 76455 Lot No. 200694 approved for (1) for 8-level office, retail, commercial podium known as "Quarza Mall"; and (2) 2 blocks of 38-storey serviced apartment known as "Quarza Residence" is disclosed entirely in the "details of material lands owned by our Group, material associates and material joint ventures that are used for on-going developments or held for future development" of Annexure A of this Prospectus. No market value is disclosed under the "Investment Properties" for the Quarza Mall as it is impractical at this juncture to split the market value of the Geran 76455 Lot No. 200694 into the "details of material lands owned by our Group, material associates and material joint ventures that are used for on-going developments or held for future development" and "details of material Investment Properties of our Group, material associates and material joint ventures" sections of Annexure A of this Prospectus.
- Similarly, land area of 6.74 acre for Geran 76455 Lot No. 200694 is disclosed entirely in the "details of material lands owned by our Group, material associates and material joint ventures that are used for on-going developments or held for future development" of Annexure A of this Prospectus. Land area disclosed under "details of material Investment Properties of our Group, material associates and material joint ventures" of Annexure A of this Prospectus for Quarza Mall is 'Nil'.
- (10) (A) A development land
Rights and interests reserved to the Crown by Deed of Grant No. 10285247 (POR 65). A fee simple title in Queensland will always have at least 1 deed of grant recorded on it. The rights and interests in the Deed of Grant No. 10285247 (POR 65) are common type in such a deed of grant.
- Lot 1014 is encumbered by Easement No. 707671509 in favour of Lot 991 and Lot 998 on SP 153190 ("Lot 991 and Lot 998" over Easements D and E on SP-144115 ("Easement D and E Area") for effluent pipeline purposes. The registered owners of Lot 991 and Lot 998 are entitled, among other things, to install and maintain underground pipeline and magnetic flow meter throughout the Easement D and E Area, remove obstructions from the Easement D and E Area which may cause damage to the pipeline and other works and enter and remain on the Easement D and E Area and part of the land immediately adjacent to the Easement D and E Area to dig open and repair and maintain the pipeline and magnetic flow meter.
- Lot 1014 is also encumbered by Easement No. 711430369 in favour of Sanctuary Cove Primary Thoroughfare Body Corporate of Lot 91 on RP 205597 and its successors, permitted assigns and authorised persons ("**Grantee**") over Easement K on SP 214266 ("**Easement K Area**") for effluent drainage purposes.
- The Grantee is entitled, among other things, to construct, inspect, maintain and replace the underground pipeline, conduit and alarm cable throughout the Easement K Area.
- (B) The 34 unsettled completed lots are located in Stage 5, Stage 16 and Stage 17
Rights and interests reserved to the Crown by Deed of Grant No. 10285247 (POR 65). A fee simple title in Queensland will always have at least 1 deed of grant recorded on it. The rights and interests in the Deed of Grant No. 10285247 (POR 65) are common type in such a deed of grant.

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

Lot 280 is benefited by Easement No. 707000418 which burdens adjoining Lot 279 (which SD Serenity Cove is also the registered owner of Lot 279) for sewerage purposes. Lot 280 is also encumbered by Easement In Gross No. 707333428 in favour of Gold Coast City Council over Easement E on SP159254 ("Easement In Gross E Area") for drainage purposes. Gold Coast City Council is entitled, among other things, to clear, construct, maintain the Easement In Gross E Area, all drains, pipes, conduits and channels across or under the Easement In Gross E Area and to perform such other works on Easement In Gross E Area that are incidental to the exercise of the rights granted under Easement In Gross No. 707333428.

- (C) RM124,655,286 is the unaudited NBV of the development land and the 34 unsettled completed lots as at 30 September 2017, being the date of valuation of the property.
- (11) Investment properties of these associated companies are stated at fair value in their respective statutory financial statements. The values reflected herein are the costs of properties.
- (12) Rahim & Co has valued the subject Bandar Serenia at RM1.4836 billion as one entity based on land area of 1,486.06 acres. Accordingly, cumulative market value of the properties held under the "details of material lands owned by our Group, material associates and material joint ventures that are used for on-going developments or held for future development" and the "details of material Investment Properties of our Group, material associates and material joint ventures" sections of Annexure A of this Prospectus amounts to RM1.4836 billion with its corresponding revaluation surplus amounts to RM1.3824 billion.
- These cumulative land area and market value are disclosed under the "details of material lands owned by our Group, material associates and material joint ventures that are used for on-going developments or held for future development" of Annexure A of this Prospectus.
- (13) P-J Midtown Development Sdn Bhd is a joint venture company of SD Brunsfield Motorworld and IOI Properties Berhad established to undertake the development of "P-J Midtown". We have a 30% effective equity interest in the company held through SD Brunsfield Motorworld, a wholly-owned subsidiary of SD Brunsfield Holding, which in turn is our Company's 60%-owned subsidiary. The remaining 50% equity interest in the company is held by IOI Properties Berhad.
- (14) Sime Darby Sunrise Development Sdn Bhd is a joint venture company of SD Property and Sunrise Berhad established to undertake a development of "Radia Bukit Jelutong". We have a 50% equity interest in the company and the remaining 50% equity interest in the company is held by Sunrise Berhad.
- (15) We have a 40% equity interest in Battersea Project Land Company Limited and Battersea Project Phase 4A Company Limited respectively, through BPHCL, which in turn is a joint venture company of SD Property (Hong Kong), Setia International and Kwasa Global, respectively 40%, 40% and 20% in BPHCL. BPHCL was established for the Objective and to invest in any other wholly-owned subsidiaries and entities established to achieve the Objective as set out in Section 7.25.1 of this Prospectus.
- (16) We have a 36% equity interest in Shaw Plaza Sdn Bhd and Shaw & Sons (Kuala Lumpur) Sdn Bhd respectively, through Shaw Brothers (M) Sdn Bhd. We have a 36% equity interest in Shaw Brothers (M) Sdn Bhd while PPB Group Berhad and The Shaw Organisation (Pte) Ltd respectively owns 34% and 30% equity interests in Shaw Brothers (M) Sdn Bhd.
- (17) Sime Darby Capitaland (Melawati Mall) Sdn Bhd is a joint venture company of SD Urus Harta and Pronto established to undertake the development of "Melawati Mall". We have a 50% equity interest in the company held through SD Urus Harta, which is our wholly-owned subsidiary and the remaining 50% equity interest in the company is held by Pronto.

ANNEXURE A: LIST OF MATERIAL PROPERTIES (Cont'd)

- (18) *Based on the leasing plan prepared by the Architect Ar Ahmad Izahamof and provided to Khong & Jaafar on 3 May 2017. It is also in line with the measurement taken in accordance with the Uniform Method of Measurement of Building issued by the Royal Institution of Surveyors Malaysia, in line with the dictates of the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia and the Asset Valuation Guidelines issued by the Securities Commission Malaysia. The number of car park bays is based on the actual count of number of bays on the site carried out by Khong & Jaafar.*
- (19) *There are currently 42 buildings and structure owned by 19 different owners, inclusive of Hindu and Chinese temples erected on the land of 7.41 acres held under Geran 89719, Lot No. 1141, Bandar Kulim, District of Kulim, State of Kedah, which were constructed without the approvals of the relevant state and local authorities. Golden Hope Plantations (Peninsular) Sdn Bhd and SD Properties Realty ("Landowners") have engaged with the occupiers who occupied the abovementioned buildings without the licences or permissions of the Landowners ("Unauthorised Occupancy"). The Landowners have also engaged with the relevant state and local authorities informing them of the Unauthorised Occupancy. The Landowners commenced the abovementioned processes since mid-2016 and will continue to engage with the relevant state and local authorities alongside with the engagement with the unauthorised occupiers to solve the issue of Unauthorised Occupancy, until amicable solution is found.*
- (20) *The subsidiaries of SD Property are currently the beneficial owners of these lands. While these subsidiaries are not yet the legal title holder to these lands, in respect of the lands under Bandar Ainsdale and Nilai Impian & Nilai Utama, the relevant subsidiaries of SD Property have procured the grant of powers of attorney in their favour by the registered owners of these lands. These powers of attorney grant the respective subsidiaries of SD Property the power to develop these lands, make the relevant applications to the authorities in connection with the development of these lands and/or to sell the developed properties to third party individual purchasers including executing the sale and purchase agreement, memorandum of transfer and other relevant documents. In relation to lands under Taman Sg. Dingin, Victoria Estate, Mostyn Estate, Georgetown, Bandar Universiti Pagoh and Harvard Suasana Resort/Jerai Estate, SD Property will procure that powers of attorney also be obtained from the relevant registered owners and will endeavour to register them with the relevant authorities before the date of the listing.*
- (21) *The acquisition of these lands by SD Property was completed on 29 September 2017 pursuant to the MVV Sale and Purchase Agreement. An amount equivalent to RM713 million, being the purchase consideration for the lands of 1,943.662 acres as set out in the MVV Sale and Purchase Agreement, was disclosed in the audited consolidated financial statements of SD Property for the FYE 30 June 2017 as capital commitment. Following the completion of survey on these lands to determine the actual area of the lands, SD Property and SD Plantation agreed that, there is a reduction of area of 63.321 acres and the purchase consideration for the acquisition of these lands shall be adjusted from RM713 million to RM689,587,408 pursuant to the MVV Sale and Purchase Agreement. As such an update valuation was undertaken by CH Williams Talhar & Wong Sdn Bhd on the land's revised land area as the survey was only completed after the date of valuation of 30 June 2017.*
- (22) *SD Property Holdings and Mass Rapid Transit Corporation Sdn Bhd are in the midst of finalising the terms of the new lease agreement in respect of the office building after the expiration of the current lease term. The new lease period is expected to be for a term of 3 years commencing from 1 December 2017 and expiring on 30 November 2020 with an option to renew for a further term of 3 years.*

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS

The key details of the major licences, permits and approvals for the operations and businesses of our material subsidiaries, associates and joint ventures as at the LPD are as follows:

B.1 Malaysia

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
SD Elmina	Housing Development Licence for the development of 80 units of 2-storey detached house to be constructed on a piece of land held under No. Lot PT50232 - PT50311, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina East (Phase G6)"	13017-15/08-2018/0623(L)	11 August 2016/ (10 August 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 80 units of 2-storey detached house to be constructed on a piece of land held under No. Lot PT50232 - PT50311, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina East (Phase G6)"	13017-15/08-2018/0623(P)	11 August 2016/ (10 August 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 67 units of 2-storey terrace house on No. Lot PT49958 - PT49975, PT49983 - PT50031, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina East (Phase G3B)"	13017-17/10-2018/0771(L)	5 October 2016/ (4 October 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Advertising and Sales Permit for the development of 67 units of 2-storey terrace house on No. Lot PT49958 - PT49975, PT49983 - PT50031, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina East (Phase G3B)"	13017-17/10-2018/0771(P)	5 October 2016/ (4 October 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 184 units of 2-storey terrace house on No. Lot PT53283 - PT53328, PT53345 - PT53390, PT53423 - PT53468 & PT53501 - PT53546, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV1A)"	13017-9/02-2018/0104(L)	16 February 2016/ (15 February 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 184 units of 2-storey terrace house on No. Lot PT53283 - PT53328, PT53345 - PT53390, PT53423 - PT53468 & PT53501 - PT53546, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV1A)"	13017-9/02-2018/0104(P)	16 February 2016/ (15 February 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Housing Development Licence for the development of 157 units of 2-storey terrace house on No. Lot PT53329 - PT53344, PT53391 - PT53422, PT53469 - PT53500 & PT53547 - PT53623, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV1B)"	13017-12/02- 2018/0143(L)	27 February 2016/ (26 February 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 157 units of 2-storey terrace house on No. Lot PT53329 - PT53344, PT53391 - PT53422, PT53469 - PT53500 & PT53547 - PT53623, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV1B)"	13017-12/02- 2018/0143(P)	27 February 2016/ (26 February 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 160 units of 2-storey terrace house on No. Lot PT53080 - PT53100, PT53101 - PT53109, PT53122 - PT53238 & PT53265 - PT53277, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West"	13017-10/02- 2018/0122(L)	23 February 2016/ (22 February 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Advertising and Sales Permit for the development of 160 units of 2-storey terrace house on No. Lot PT53080 - PT53100, PT53101 - PT53109, PT53122 - PT53238 & PT53265 - PT53277, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West"	13017-10/02- 2018/0122(P)	23 February 2016/ (22 February 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 149 units of 2-storey terrace house on No. Lot PT53110 - PT53121, PT53239 - PT53251, PT53252 - PT53264, PT53264 - PT53707 & PT53708 - PT53734, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West"	13017-11/02- 2018/0123(L)	23 February 2016/ (22 February 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 149 units of 2-storey terrace house on No. Lot PT53110 - PT53121, PT53239 - PT53251, PT53252 - PT53264, PT53264 - PT53707 & PT53708 - PT53734, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West"	13017-11/02- 2018/0123(P)	23 February 2016/ (22 February 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Housing Development Licence for the development of 203 units of 2-storey terrace house on No. Lot PT52960 - PT53010 and PT52719 - PT52870, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV3A)"	13017-13/05- 2018/0327(L)	12 May 2016/ (11 May 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 203 units of 2-storey terrace house on No. Lot PT52960 - PT53010 and PT52719 - PT52870, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV3A)"	13017-13/05- 2018/0327(P)	12 May 2016/ (11 May 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 151 units of 2-storey terrace house on No. Lot PT53011 - PT53079 and PT52878 - PT52959, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV3B)"	13017-14/05- 2018/0380(L)	29 May 2016/ (28 May 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Advertising and Sales Permit for the development of 151 units of 2-storey terrace house on No. Lot PT53011 - PT53079 and PT52878 - PT52959, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV3B)"	13017-14/05- 2018/0380(P)	29 May 2016/ (28 May 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 149 units of 2-storey terrace house on No. Lot PT52054 - PT52085, PT52111 - PT52130, PT52155 - PT52177, PT52202 - PT52221, PT52251 - PT52284 & PT52312 - PT52331, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV4B)"	13017-16/09- 2018/0760(L)	30 September 2016/ (29 September 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 149 units of 2-storey terrace house on No. Lot PT52054 - PT52085, PT52111 - PT52130, PT52155 - PT52177, PT52202 - PT52221, PT52251 - PT52284 & PT52312 - PT52331, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV4B)"	13017-16/09- 2018/0760(P)	30 September 2016/ (29 September 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Housing Development Licence for the development of 129 units of 2-storey terrace house on No. Lot PT52086 - PT52110, PT52131 - PT52154, PT52178 - PT52201, PT52222 - PT52250, PT52285 - PT52311, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV4A)"	13017-18/11-2018/0856(L)	6 November 2016/ (5 November 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 129 units of 2-storey terrace house on No. Lot PT52086 - PT52110, PT52131 - PT52154, PT52178 - PT52201, PT52222 - PT52250, PT52285 - PT52311, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor known as "Elmina West (EV4A)"	13017-18/11-2018/0856(P)	6 November 2016/ (5 November 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
SD Property	Housing Development Licence for the development of 68 units of 9-storey apartment/ condominium and 40 units of 3-storey town house on No. Lot 76871, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Rimbun Santuary"	6427-66/09-2017/0787(L)	10 September 2015/ (9 September 2017) ⁽¹⁾	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Advertising and Sales Permit for the development of 68 units of 9-storey apartment/ condominium and 40 units of 3-storey town house on No. Lot 76871, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Rimbun Santuary"	6427-66/09-2017/0787(P)	10 September 2015/ (9 September 2017) ⁽¹⁾	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
SD USJ Development	Housing Development Licence for the development of 230 units of 2-storey terrace house on No. Lot PT75759 - PT75988, Mukim Kapar, Daerah Klang, Negeri Selangor known as "Bandar Bukit Raja (Phase R07)"	3927-130/12-2018/0930(L)	16 December 2016/ (15 December 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 230 units of 2-storey terrace house on No. Lot PT75759 - PT75988, Mukim Kapar, Daerah Klang, Negeri Selangor known as "Bandar Bukit Raja (Phase R07)"	3927-130/12-2018/0930(P)	16 December 2016/ (15 December 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 618 units of 16-storey apartment/ condominium on No. Lot 99337, Mukim Kapar, Daerah Klang, Negeri Selangor known as "BR17A - Rumah Selangorku"	3927-128/03-2018/0217(L)	31 March 2016/ (30 March 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Advertising and Sales Permit for the development of 618 units of 16-storey apartment/ condominium on No. Lot 99337, Mukim Kapar, Daerah Klang, Negeri Selangor known as "BR17A - Rumah Selangorku"	3927-128/03-2018/0217(P)	31 March 2016/ (30 March 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur, papan tanda dan internet (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 570 units of 15-storey apartment/ condominium on No. Lot 103483, Mukim Kapar, Daerah Klang, Negeri Selangor known as "BR17B - Rumah Selangorku"	3927-129/07-2018/0559(L)	22 July 2016/ (21 July 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 570 units of 15-storey apartment/ condominium on No. Lot 103483, Mukim Kapar, Daerah Klang, Negeri Selangor known as "BR17B - Rumah Selangorku"	3927-129/07-2018/0559(P)	22 July 2016/ (21 July 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Housing Development Licence for the development of 130 units of 19-storey serviced apartment and 210 units of 32-storey serviced apartment on No. Lot PT28447, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Putra Residences"	3927-125/05-2017/01793(L)	16 May 2016/ (15 May 2017) ⁽¹⁾	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 130 units of 19-storey serviced apartment and 210 units of 32-storey serviced apartment on No. Lot PT28447, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Putra Residences"	3927-125/05-2017/01793(P)	16 May 2016/ (15 May 2017) ⁽²⁾	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 912 units of 23-storey apartment/ condominium; 440 units of 22-storey apartment/ condominium and 348 units of 18-storey apartment/ condominium on No. Lot PT35812, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Rumah Selangorku (HT4)"	3927-131/03-2019/0179(L)	9 March 2017/ (8 March 2019)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Advertising and Sales Permit for the development of 912 units of 23-storey apartment/ condominium; 440 units of 22-storey apartment/ condominium and 348 units of 18-storey apartment/ condominium on No. Lot PT35812, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Rumah Selangorku (HT4)"	3927-131/03-2019/0179(P)	9 March 2017/ (8 March 2019)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
SD Ainsdale	Housing Development Licence for the development of 43 units of 2-storey terrace house on No. Lot PT35699 - PT35743, Mukim Labu, Daerah Seremban, Negeri Sembilan known as "Bandar Ainsdale (Phase 4B Santai)"	12408-8/07-2018/0516(L)	16 July 2016/ (15 July 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 43 units of 2-storey terrace house on No. Lot PT35699 - PT35743, Mukim Labu, Daerah Seremban, Negeri Sembilan known as "Bandar Ainsdale (Phase 4B Santai)"	12408-8/07-2018/0516(P)	16 July 2016/ (15 July 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Housing Development Licence for the development of 56 units of 8-storey apartment/ condominium, 216 units of 15-storey apartment/ condominium and 76 units of 11-storey apartment/ condominium on No. Lot 72519, Mukim Labu, Daerah Seremban, Negeri Sembilan known as "Bandar Ainsdale – Nurani (Phase 1C)"	12408-9/07-2018/0556(L)	22 July 2016/ (21 July 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 56 units of 8-storey apartment/ condominium, 216 units of 15-storey apartment/ condominium and 76 units of 11-storey apartment/ condominium on No. Lot 72519, Mukim Labu, Daerah Seremban, Negeri Sembilan known as "Bandar Ainsdale – Nurani (Phase 1C)"	12408-9/07-2018/0556(P)	22 July 2016/ (21 July 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 45 units of 2-storey terrace house on No. Lot PT35744 - PT35789, Mukim Labu, Daerah Seremban, Negeri Sembilan known as "Bandar Ainsdale (Phase 4A Redup)"	12408-10/07-2018/0557(L)	22 July 2016/ (21 July 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Advertising and Sales Permit for the development of 45 units of 2-storey terrace house on No. Lot PT35744 - PT35789, Mukim Labu, Daerah Seremban, Negeri Sembilan known as "Bandar Ainsdale (Phase 4A Redup)"	12408-10/07-2018/0557(P)	22 July 2016/ (21 July 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
SD Chemara	Housing Development Licence for the development of 78 units of 3-storey detached house on No. Lot PT2495 - PT2556, PT2483 - PT2560, Mukim Rasah, Daerah Seremban, Negeri Sembilan known as "Castilla"	13310-3/01-2018/01034(L)	30 January 2017/ (29 January 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 78 units of 3-storey detached house on No. Lot PT2495 - PT2556, PT2483 - PT2560, Mukim Rasah, Daerah Seremban, Negeri Sembilan known as "Castilla"	13310-3/01-2018/01034(P)	30 January 2017/ (29 January 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
SD Properties Realty	Housing Development Licence for the development of 240 units of 6-storey serviced apartment on No. Lot 15974, Mukim Setul, Daerah Seremban, Negeri Sembilan known as "Nilai Implan (NU5C) - Kiara Court"	4654-14/07-2018/01848(L)	13 July 2017/ (12 July 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian.	To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Advertising and Sales Permit for the development of 240 units of 6-storey serviced apartment on No. Lot 15974, Mukim Setul, Daerah Seremban, Negeri Sembilan known as "Nilai Impian (NU5C) - Kiara Court"	4654-14/07- 2018/01848(P)	13 July 2017/ (12 July 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 178 units of 2-storey terrace house on No. Lot PT2545, PT2456, PT2547, PT2633, PT2634, PT2635, PT2720, PT2721, Mukim Setul, Daerah Seremban, Negeri Sembilan known as "Nilai Impian (NU6B2) - Azalea 2"	4654-15/09- 2018/02331(L)	14 September 2017/ (13 September 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 178 units of 2-storey terrace house on No. Lot PT2545, PT2456, PT2547, PT2633, PT2634, PT2635, PT2720, PT2721, Mukim Setul, Daerah Seremban, Negeri Sembilan known as "Nilai Impian (NU6B2) - Azalea 2"	4654-15/09- 2018/02331(P)	14 September 2017/ (13 September 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
SD Pagoh	Housing Development Licence for the development of 206 units of 2-storey terrace house on No. Lot PT14418, Mukim Jorak, Daerah Muar, Negeri Johor known as "Bandar Universiti Pagoh (Phase R20)"	14358-1/05-2018/0374(L)	28 May 2016/ (27 May 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 206 units of 2-storey terrace house on No. Lot PT14418, Mukim Jorak, Daerah Muar, Negeri Johor known as "Bandar Universiti Pagoh (Phase R20)"	14358-1/05-2018/0374(P)	28 May 2016/ (27 May 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 177 units of 2-storey terrace house on No. Lot PT14418, Mukim Jorak, Daerah Muar, Negeri Johor known as "Bandar Universiti Pagoh (Phase R20 Harmoni Vista 2)"	14358-2/01-2019/27(L)	11 January 2017/ (10 January 2019)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 177 units of 2-storey terrace house on No. Lot PT14418, Mukim Jorak, Daerah Muar, Negeri Johor known as "Bandar Universiti Pagoh (Phase R20 Harmoni Vista 2)"	14358-2/01-2019/27(P)	11 January 2017/ (10 January 2019)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
SD Melawati	Housing Development Licence for the development of 528 units of 38-storey serviced apartment on No. Lot PT5086, Bandar Ulu Kelang known as "Serini – Plot B & C"	597-10/04- 2018/09306(L)	21 April 2017/ (20 April 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 528 units of 38-storey serviced apartment on No. Lot PT5086, Bandar Ulu Kelang known as "Serini – Plot B & C"	597-10/04- 2018/09306(P)	21 April 2017/ (20 April 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
	Housing Development Licence for the development of 508 units of 36-storey serviced apartments on No. Lot PT200694, Mukim Setapak, Daerah Wilayah Persekutuan KL, Negeri Wilayah Persekutuan KL known as "Quarza"	597-11/03- 2018/0198(L)	18 March 2016/ (17 March 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 508 units of 36-storey serviced apartments on No. Lot PT200694, Mukim Setapak, Daerah Wilayah Persekutuan KL, Negeri Wilayah Persekutuan KL known as "Quarza"	597-11/03- 2018/0198(P)	18 March 2016/ (17 March 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
SD Property (Subang)	Housing Development Licence for the development of 361 units of 30-storey serviced apartment on No. Lot 15, Bandar Subang Jaya, Daerah Petaling, Selangor known as "SJCC (The Suave)"	10991-2/07- 2018/01540(L)	5 July 2017/ (4 July 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 361 units of 30-storey serviced apartment on No. Lot 15, Bandar Subang Jaya, Daerah Petaling, Selangor known as "SJCC (The Suave)"	10991-2/07- 2018/01540(P)	5 July 2017/ (4 July 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur, papan tanda dan bunting (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
SD Ara Damansara	Housing Development Licence for the development of 888 units of 23-storey serviced apartments on No. Lot PT 4002, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Cantara"	7277-25/04- 2018/0228(L)	7 April 2016/ (6 April 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 888 units of 23-storey serviced apartments on No. Lot PT 4002, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Cantara"	7277-25/04- 2018/0228(P)	7 April 2016/ (6 April 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
SD Property (Subang)	Housing Development Licence for the development of 361 units of 30-storey serviced apartment on No. Lot 15, Bandar Subang Jaya, Daerah Petaling, Selangor known as "SJCC (The Suave)"	10991-2/07- 2018/01540(L)	5 July 2017/ (4 July 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 361 units of 30-storey serviced apartment on No. Lot 15, Bandar Subang Jaya, Daerah Petaling, Selangor known as "SJCC (The Suave)"	10991-2/07- 2018/01540(P)	5 July 2017/ (4 July 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur, papan tanda dan bunting (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
SD Ara Damansara	Housing Development Licence for the development of 888 units of 23-storey serviced apartments on No. Lot PT 4002, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Cantara"	7277-25/04- 2018/0228(L)	7 April 2016/ (6 April 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 888 units of 23-storey serviced apartments on No. Lot PT 4002, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Cantara"	7277-25/04- 2018/0228(P)	7 April 2016/ (6 April 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur sahaja (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensee	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
SD Brunnsfield Damansara	Housing Development Licence for the development of 367 units of 12-storey serviced apartment on No. Lot 92086, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Oasis Rio"	12196-2/04- 2018/0254(L)	20 April 2016 / (19 April 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 367 units of 12-storey serviced apartment on No. Lot 92086, Mukim Damansara, Daerah Petaling, Negeri Selangor known as "Oasis Rio"	12196-2/04- 2018/0254(L)	20 April 2016 / (19 April 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur, akhbar, papan tanda, banting & hoarding (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied
SD Brunnsfield Resort	Housing Development Licence for the development of 170 units of 22-storey serviced apartment and 259 units of 23-storey serviced apartment on No. Lot 480547, Mukim Kuala Lumpur, Wilayah Persekutuan KL known as "Senada Kiara"	14350-1/05- 2018/0355(L)	20 May 2016 / (19 May 2018)	MUWHLG	Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	To be complied
	Advertising and Sales Permit for the development of 170 units of 22-storey serviced apartment and 259 units of 23-storey serviced apartment on No. Lot 480547, Mukim Kuala Lumpur, Wilayah Persekutuan KL known as "Senada Kiara"	14350-1/05- 2018/0355(P)	20 May 2016 / (19 May 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur, akhbar dan papan tanda (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Licensor	Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
	Advertising and Sales Permit for the development of a 30-storey serviced apartment with 758 units on No. Lot 10147 Seksyen 13, Bandar Petaling, Daerah Petaling, Negeri Selangor known as "PJ Midtown"	13607-1/08-2018/02045(P)	4 August 2017 / (3 August 2018)	MUWHLG	(i) Jenis iklan yang diluluskan ialah brosur, akhbar dan papan tanda (ii) Pemaju perumahan dikehendaki untuk mengemukakan satu salinan 'Garis Panduan Bagi Pembeli Rumah' kepada setiap pembeli sebelum menandatangani perjanjian	Complied To be complied

Notes:

- (1) Applications will be or have been made to the MUWHLG for renewal of the Housing Development Licence and Advertising and Sales Permit and the applications for renewals are pending approvals of the MUWHLG.
- (2) All the properties to be developed under the development have been fully sold and hence the Advertising and Sales Permit will not be renewed.

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

B.2 United Kingdom

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
<p>Planning Permissions</p> <p>Original Planning Permission of the Battersea Power Station ("Property") ("Original Planning Permission") applicable to Battersea Power Station Phase 1 – Development Zone RS-1. This was a 'hybrid' planning permission with detailed planning permission granted in respect of the power station, the jetty and river structures and outline planning permission granted in respect of the remainder, requiring future approval of certain 'reserved matters'.</p> <p>The permitted development was for the restoration, extension, alterations and conversion of the Power Station building to provide retail, residential flats, business, cultural, hotel and conference facilities, event space and incidental accommodation; the demolition of other buildings and development of the land surrounding the Power Station and adjacent/ nearby sites to provide retail, restaurants bars and cafes, offices, hotel, residential, community and cultural space, assembly and leisure space, student housing, serviced apartments, an energy centre and basement plant; parking for cars, coaches, motorcycles and bicycles; new access and internal road system and servicing; 'off-site' highway works; works to the jetty to facilitate river transport and fuel delivery, including alterations to the river wall; provision of open space and landscaping works. (application for outline planning permission with detailed elements provided in relation to the Power Station itself, and the jetty and river structures).</p>	2009/3575	23 August 2011/ (N/A)	Wandsworth Borough Council ("WBC")	<p>The planning permissions granted are subject to conditions which would be expected of a development of this nature. Some of these required or require discharge prior to the commencement of development or the different phases of development (e.g. by the submission of schemes for approval by WBC), others require discharge prior to occupation or occupation of the different phases or parts of the development and others require compliance on an on-going basis.</p> <p>The Original Planning Permission has been subject to a number of variations and so it is most relevant to set out the key conditions attached to the latest permission granted (i.e. the Fifth S73 Permission). The key conditions are similar in their effect to the conditions attached to previous permissions and are as follows:</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
<p>Since the grant of the Original Planning Permission, a number of variations have been granted by WBC pursuant to Section 73 of the Town and Planning Act 1990 ("TCPA") ("73 Permission").</p>	2013/6639	29 April 2014/ (N/A)	WBC	<p>(i) there are conditions restricting the total gross external floorspace of the development and the different use classes approved (excluding the floorspace within the power station building) as part of the development. For instance, the Fifth S73 Permission provides that the overall gross external floorspace area of all of the uses (excluding parking, servicing, general plant and storage and the energy centre) shall not exceed 359,363 sq m;</p>	Complied
<p>Variation of the first S73 Permission (to vary the Original Planning Permission) in accordance with Section 73 of the TCPA ("Second S73 Permission") applicable to Battersea Power Station Phase 2 – Power Station Development Zone. The variation relates primarily to the Power Station building (the detailed element of the Original Planning Permission) and included changes to the land uses including an increase in the retail floorspace, an increase in the number of residential units, external alterations to the Power Station building, internal alterations to the layout and a revised energy strategy.</p>	2014/2837	5 December 2014/ (N/A)	WBC	<p>(ii) there are restrictions on the floorspace provided within each Development Zone (set out on a use-by-use basis) and the distribution of uses within each Development Zone shall be in accordance with the approved parameter plans. Please note that there will be further amendment to the planning permissions to reconcile certain inconsistencies between the planning permissions for the different phases. This may affect the restrictions on the floorspace provided within each Development Zone. The timing of these changes remains uncertain;</p>	Complied
<p>Variation of the Second S73 Permission in accordance with Section 73 of the TCPA ("Third S73 Permission") applicable to Battersea Power Station Phase 3 – Development Zone O1 and RS-4. The variation includes changing Phase 3 from outline to detailed consent, along with various other changes in respect of Phase 3.</p> <p>Further variation of the Third S73 Permission in accordance with Section 73 of the TCPA ("Fifth S73 Permission") applicable to various Phases, The Fifth S73 Permission creates additional residential units in Phases 3 and 4, changes the use of the hotel and serviced apartments in Phase 4 (Development Zone RS-5) to residential and changes to the massing and distribution of land in Phase 6 (Development Zone RS-2) to facilitate the redevelopment of the adjoining Cringle Dock site (previously sought by the fourth S73 Permission)</p>	2016/1119	8 November 2016/ (N/A)	WBC		Complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
				(iii) the total number of residential units permitted in each Development Zone and the unit mix (i.e. 1/2/3 bedroom units etc.) is prescribed by condition. Details of the distribution and internal configuration of the residential units must be submitted to WBC for approval;	
				(iv) the phasing of the development shall be in accordance with the approved phasing plan;	
				(v) details of the amount of spatial distribution of, and differentiation between, Class A1/ A2 uses (retail/ professional and financial services) within the areas shown to accommodate Class A1/A2 uses in the approved parameter plans must be approved by WBC prior to first occupation of such phase in the Power Station or Development Zone RS-1, RS-4 or O-1 respectively;	
				(vi) there are restrictions on the number of car parking spaces on the Property (including restrictions on a per unit basis in each Development Zone in respect of the residential use);	

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
				(vii) no individual Use Class A1 ⁽¹⁾ retail unit shall exceed 2,500 sq m (gross lettable area) with the exception of a single unit in the power station that shall not exceed 5,000 sq m and details of the mix of unit sizes of the A1/A2 (retail/professional and financial services) use classes shall be submitted to WBC for approval;	
				(viii) permitted development rights are restricted so as to prohibit any of the Use Class A3, A4 and A5 floorspace (food and drink) being used for Class A1/A2 (retail/professional and financial services) purposes without WBC's approval;	
				(ix) the Use Class A3, A4 and A5 (food and drink) premises shall not be open to customers other than between 0800-2330 hour and at no other times unless such hours are approved by WBC in respect of any individually defined unit;	

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
				(x) there are conditions requiring details of the energy centre (and proposed capacity) to be submitted to WBC for approval and for details of arrangements to facilitate the potential to provide a link from the energy centre to the Pimlico heating scheme and the planned larger Vauxhall, Nine Elms and Battersea district heat network to be submitted prior to construction of the energy centre;	
				(xi) there are noise limits in respect of any entertainment/event provided outside of, or not fully enclosed by, the permanent buildings on the site;	
				(xii) there are conditions relating to the interface between the development and the Northern Line Extension;	
				(xiii) development of each phase of development is not permitted to commence until a scheme to raise the flood defences for that phase has been approved by WBC and there are other conditions pertaining to construction in the River Thames;	

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
				(xiv) applications for the approval of reserved matters relating to Phases 3-7 must be made to WBC by 23 August 2024; and	
				(xv) there are also conditions requiring the approval and implementation of various schemes including a cultural strategy, a site wide servicing management strategy, a surface water drainage scheme, schemes for the on-going maintenance of the river wall in respect of each phase, programmes of archaeological work, an ecological mitigation scheme, a landscaping scheme, a sustainable waste strategy, as a scheme to protect the occupiers of the residential flats and serviced apartments in Development Zone RS-2, RSWF and RS-6a from external noise, vibration, dust and odours (in connection with the Cringle Dock Waste Transfer Station) and a contamination testing scheme (typically on a phase-by-phase basis).	

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
				<p>Additionally, the following key conditions are imposed in respect of the Second S73 Permission (which was used to implement the Battersea Power Station Phase 2) which apply specifically to Battersea Power Station Phase 2:</p> <p>(i) there are conditions restricting the distribution of use classes within the Power Station building (as shown on the approved drawings) and no extensions of floorspace shall be provided in, on or below the power station without the express authority of WBC; and</p> <p>(ii) there are requirements to submit details of various aspects of the development of Phase 2 (including the elevational treatment of the reconstruction of the East Wall of the Boiler House, details of the replacement Turbine Hall A roof trusses and details of a strategy for public access to the South Terrace) to WBC for approval in consultation with Historic England.</p>	

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
<p>Planning Permission applicable to Phase 4A relating to a site at Sleaford Street which is to the south of the Property, for the demolition of all existing buildings, and construction of seven new buildings of between 1-storey and 18-storeys, containing 374 residential units; non-residential institution (D1) floorspace; business (B1) floorspace; flexible retail/residential & café/business (A1/A3/B1) floorspace; flexible residential/business floorspace (C3/B1); flexible non-residential institution/business floorspace (D1/B1); and an electricity substation. The proposals include a basement, vehicle/cycle parking, plant, the alteration of the vehicle access from Thessaly Road, and associated works and landscaping ("Phase 4a Permission"). The Phase 4a Permission has been amended pursuant to the Section 96A of the TCPA and varied pursuant to Section 73 of the TCPA ("Phase 4a Variation Permission")</p>	2015/3555	3 December 2015/ (N/A)	WBC	<p>The conditions imposed are those which would be expected of a development of this nature and are subject to a number of conditions. Some of these required or require discharge prior to the commencement of development or the different phases of development (e.g. by the submission of schemes for approval by WBC), others require discharge prior to occupation or occupation of the different phases or parts of the development and others require compliance on an on-going basis.</p> <p>In terms of key conditions, the conditions requiring various strategies to be submitted for approval by WBC including a waste management strategy, scheme to insulate the development against external noise and vibration sources, landscape management plan, programme of archaeological evaluation, parking management strategy, remediation strategy (if contamination found during development), delivery and servicing plan, flood warning evacuation plan, details of surface water drainage measures, an estate management plan and cultural strategy.</p>	Complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
				<p>In addition, there is a requirement to gain WBC's approval of the health centre forming part of the development in consultation with Wandsworth NHS Clinical Commissioning Group, of full design details of the electricity substation and of details of the proposed electromagnetic field mitigation associated with the electricity substation.</p>	
				<p>Further, 10% of the residential units must be wheelchair accessible and the retail/café premises shall not be open other than between 0800-2330 hour.</p>	

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
Listed Building Consents					
The grant of listed building consents in connection with the grant of the Original Planning Permission (associated with Phase 1):	(i) 2009/3576; (ii) 2009/3577; (iii) 2009/3578	23 August 2011/ (N/A)	WBC	The listed building consents were granted subject to a number of conditions. As is to be expected, these are fairly technical in nature and relate to the method of carrying out the works.	Complied
(i) for repairs, alterations (including partial demolitions) and extensions to the former Power Station in association with its redevelopment;					
(ii) for repairs, restoration, installation of structures on, and other works to the jetty in association with its conversion to provide pedestrian access and a river transport facility and works to the river wall; and					
(iii) for demolition of the former Battersea Water Pumping Station.					
The grant of listed building consent in connection with the grant of the Second Section 73 Permission (associated with Phase 2) for repairs, alterations (including partial demolitions) and extensions to the former Power Station in association with its redevelopment.	2013/6640	29 April 2014/ (N/A)	WBC	The listed building consents were granted subject to a number of conditions. As is to be expected, these are fairly technical in nature and relate to the method of carrying out the works.	Complied
The grant of listed building consent in connection with the grant of the Third Section 73 Permission (associated with Phase 3) where this amended the listed building consent with reference 2013/6640	2014/2835	5 December 2014/ (N/A)	WBC	The listed building consents were granted subject to a number of conditions. As is to be expected, these are fairly technical in nature and relate to the method of carrying out the works.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
<p>The listed building consent with reference 2014/2835 has, been subject to the following amendments:</p> <p>(i) this amended a number of the approved drawings for the Power Station building following design development;</p> <p>(ii) this included amendments to dismantle and rebuild the East Wall of the Boiler House and remove and replace the roof trusses in Turbine Hall A; and</p> <p>(iii) these amendments related to the confirmation of additional demolition and repair works, reconfiguration of retail layouts and the change of use of the hotel to an office/members club, among other matters.</p>	<p>(i) 2014/7073; (ii) 2015/5890; (iii) 2017/1250</p>	<p>(i) 23 March 2015 / (N/A); (ii) 1 March 2016/ (N/A); (iii) 18 May 2017/ (N/A)</p>	WBC	The listed building consents were granted subject to a number of conditions. As is to be expected, these are fairly technical in nature and relate to the method of carrying out the works.	Complied
<p>Planning Agreements</p> <p>A Section 106 Agreement was made between WBC and Transport for London ("TfL"), Halcyon Estates Limited, Kempt Town Limited, Lambhill Properties Limited, REO (88 Kirling St) Limited, REO (2 Battersea Park Road) Limited, Bank of Scotland Plc and Oriental Property Limited, in association with the Original Planning Permission and the related listed building consents ("Original Planning Agreement")</p>	N/A	23 August 2011/ (N/A)	N/A	In respect of a development of project of this scale, there are an extensive set of planning obligations which must be complied with in connection with the redevelopment. Please refer Note (2) for the significant obligations.	Complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Description of licence/ permit/ approval	Licence/ Registration No.	Date of issuance or commencement/ (expiry)	Authority	Major conditions imposed	Status of compliance
<p>The agreement has been varied several times with the latest deed of variation amending the Sixth Amended Agreement made between WBC and TFL, Battersea Project Land Company Limited, Battersea Project Phase 2 Refurbishment Company Limited, Battersea Project Phase 1 Company Limited, Battersea Project Phase 2 Company Limited, Battersea Project Phase 3 Company Limited, Battersea Project Phase 4 Company Limited, Battersea Project Phase 5 Company Limited, Battersea Project Phase 6 Company Limited, Thomas Water Utilities Limited, Battersea Project Phase 2 Residential Company Limited, Battersea Project Phase 3 Residential Company Limited, Battersea Project Phase 4A Company Limited, Standard Chartered Bank and CIMB Bank Berhad, in connection with the grant of the Phase 4a Variation Permission ("Seventh Amended Agreement"). A consolidated version of the Original Planning Agreement (as amended) was appended to the Seventh Amended Agreement, showing relatively few amendments to the sixth amended agreement. This is currently the operative Section 106 Agreement in respect of the re-development.</p>	N/A	21 November 2016/ (N/A)	N/A	Please note that all payments referred to are index linked to Building Cost Information Service (also referred to as "BCIS") from the date of the last index published prior to the date of the Original Agreement (other than in respect of Phase 4a which are indexed from the date of the fourth amended agreement).	Complied

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)**Notes:**

- (1) For the purposes of the *Town and Country Planning (Use Classes) Order 1987*.
- (2) A brief summary of the most significant obligations in *Seventh Amended Agreement* are set out below:

Reference	Obligation	Brief Description
Schedule 1	Northern Line Extension	Development may not commence in respect of any part of Battersea Power Station Phase 3B which has an interface with the new underground station until details of such interfaces have been submitted to and approved by TfL. Provisions allowing for various construction activities to take place on the Property in connection with the Northern Line Extension project. The Seventh Amended Agreement restricts the occupation of non-residential floorspace in the Power Station building and Phase 3A until the Northern Line Extension is constructed and open to passengers provided that occupation can take place prior to this if various conditions are satisfied and the Owner pays an additional bus service contribution to TfL of £145,800.
Schedule 2	Infrastructure Contributions (towards Northern Line Extension project - proposed extension of the London Underground Northern Line from Kennington to a new station on the Battersea Power Station site. The Secretary of State for Transport consented to the granting of a Transport and Works Act Order pursuant to the Transport and Works Act 1992 in respect of the Northern Line Extension and the Order was made on 25 November 2014)	<p>Payment of the following contributions in various instalments and subject to downward adjustment to take into account community infrastructure levy payments:</p> <p>Development Zone RS1 - £38,040,000 less £3,265,382 Development Zone RS2 - £47,490,000 Phase 3A - £35,960,000 Phase 3B - £35,960,000 Development Zone RS5 - £40,880,000 Development Zone RS6a - £4,400,000 Development Zone RS6b - £1,020,000 Development Zone RSWF - £7,850,000 (Total £211,600,000)</p> <p>The first 50% of the amount attributable to each Development Zone or Phase shall be paid before above ground works are started on that Development Zone or Phase and the remaining amount attributable shall be paid before occupation of such Development Zone or Phase.</p>
Schedule 3	Riverbus service	Provisions relating to the provision of a riverbus service connecting the Property with other landing places on the River Thames so as to be available from the occupation of the Power Station building.

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Reference	Obligation	Brief Description
Schedule 4	Travel Plan	Provisions requiring the approval by WBC of various travel plans (to promote sustainable travel) in relation to each Development Zone prior to occupation of various uses within each zone.
Schedule 5	Controlled Zone Parking	Provisions relating to the introduction of a controlled parking zone within the vicinity of the development and provision of a bond in connection with associated works (value £1,004,670).
Schedule 6	Car Club	Provisions relating to the introduction of a car club in respect of each Development Zone and to make a specified number of car parking spaces available for this purpose.
Schedule 7	Highway Improvements	Various obligations to secure highway improvements in relation to the development. The works to the Queen's Circus roundabout junction are to be funded from a sum of £1,200,000 held by WBC at the date of the Original Planning Agreement and paid to WBC pursuant to a separate Section 106 Agreement with Berkeley Homes. The works in respect of the currently unused pedestrian subway are to be carried out by the Owners and a bond is to be provided, the amount of which is to be agreed with WBC's engineer.
Schedule 8	Affordable Housing	Provisions relating to the provision of affordable housing in the development. This stands at 636 units in the Seventh Amended Agreement (across Phase 3, Phase 4a and Phase 5), comprising different types of affordable housing offering. There are provisions limiting the number of market units which can be occupied until the affordable housing units are transferred. The minimum floor area of the affordable housing units shall be agreed by the owners and WBC having regard to planning policy in force at the time of the agreement and all other material considerations. The owners can invite tenders from registered affordable housing providers for the provision of the affordable housing units, provide the affordable housing units themselves or appoint a registered provider directly without having to following the tender process.
Schedule 9	Local Employment	Schedule 9 comprises a Local Employment Agreement containing provisions relating to encouraging the employment of local people in connection with the development.
Schedule 9A	BASE – Battersea Academy for Skills and Excellence	Provisions for the establishment and operation of BASE so as to support the provisions of the Local Employment Agreement. BASE will be provided with premises at the development.

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Reference	Obligation	Brief Description
Schedule 10	Community Facilities	Provisions relating to the provision of community facilities at the development (including a primary care facility, policy community office, community hub and nursery, in locations identified on plans annexed to the Agreement – final details to be approved). These need to be provided prior to occupation of the Development Zone within which such facilities are located.
Schedule 11	Riverside Path and Grosvenor Bridge Link	Provisions relating to securing pedestrian access by the public to the riverside path, the extension of the riverside path under Grosvenor Bridge and the dedication and adoption of them as public highway. The owners are required to provide a 'Riverside Path Bond' and 'Grosvenor Bridge Link Bond' for an amount equal to the cost of carrying out the works to the riverside path and constructing the extension to the riverside path under Grosvenor Bridge respectively. Schedule 29 contains a form of riverside path maintenance agreement.
Schedule 12	Works to the Power Station Building	Detailed provisions governing the works to be carried out to the Power Station building (Phase 2) including restrictions on occupation until certain stages of the Power Station works are carried out and sequencing of chimney works. The owners are required to provide a 'chimney works bond' in connection with the chimney works in the form set out in Schedule 24. The bond is to total the cost of replacing three chimneys plus an additional 25% contingency.
Schedule 13	Open Space	Provisions relating to the delivery and use of the open space (identified as being accessible to the public for recreational purposes) in accordance with the public realm phasing plan included at Schedule 20.
Schedule 14	Vehicle, Cycle and Pedestrian Movement	Provisions relating to vehicle, cycle and pedestrian access to and movement within the development.
Schedule 15	CCTV	Provisions relating to CCTV provision within and outside the development. These involve providing CCTV within the development and providing a £50,000 contribution to WBC in respect of off-site CCTV.
Schedule 16	Buses	Provisions relating to provision of various bus infrastructure within the development. Also includes entering into arrangements with TfL and WBC to secure the satisfactory operation of buses.
Schedule 17	Energy	Provisions relating to the 'ESCO network' which is a district heating and cooling and energy services infrastructure network to be provided within the development. The provisions relate to ensuring that the development can connect to the ESCO network.

ANNEXURE B: LIST OF MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)







Reference	Obligation	Brief Description
Schedule 18	The Wharves	Protective measures relating to the operation of the Wharves (CEMEX Plant and waste transfer station at Cringle Dock) and Development Zone RS-2 (Phase 6). These relate to reaching agreement with the respective owners/operators of the Wharves to procure the implementation of such control measures as are necessary to ensure that the impact of the use and operation of the Wharves may be acceptable to occupiers, visitors and members of the general public of Development Zone RS-2. It is noted that the control measures relating to the waste transfer station will be released from the date on which the new waste transfer station at Cringle Dock is practically completed; this is the subject of a separate planning permission (reference 2015/6357) and is located next to the Phase 6 site.
Schedule 20	Public Realm Phasing Plan	Provisions governing the provision of the public realm and open spaces identified in plans appended to the Seventh Amended Agreement. There are restrictions on the percentage of housing units within each Development Zone which can be occupied prior to practical completion of various public realm areas across the development.
Schedule 21	TfL contributions	Provisions to secure the provision of TfL public transport enhancements in connection with the development including payment of a £1,400,000 contribution to TfL towards improvements to bus services to and around the site or, in the alternative, provision of a shuttle bus service. There is also provision for a £267,000 contribution to TfL in connection with establishment of a cycle hire scheme and restriction on occupation of the non-residential accommodation in the Power Station building and Phase 3A until the Northern Line Extension is constructed or a number of conditions are satisfied.
Schedule 26	Additional obligations relating to Phase 3A and Phase 3B	Provisions relating to allowing managed public access to the roof garden within Phase 3B prior to occupation of a certain number of market housing units within Phase 3B and provisions relating to retention of Phase 3A and 3B architects (Foster + Partners and Frank Gehry Architects).
Schedule 27	Additional obligations relating to the Phase 4a site	Various Phase 4a-specific obligations including highway works, safeguarding of land for cycleway, air quality contribution (£9,000), cycle hire scheme and retention of Phase 4a architects (Patel Taylor Architects).
Schedule 28	Phasing plans	The phasing of the development is required to be in accordance with the approved phasing plan unless an alternative phasing plan is agreed by WBC.
Schedule 30	East Wall	Provisions governing the demolition and reconstruction of the East Wall.
Clause 18	Development Zone RSWF (Phase 7)	Development can only commence on or within Development Zone RSWF after one of a number of conditions have been met relating to the enforceability of the Section 106 Agreement over this Zone.

ANNEXURE C: OUR TRADEMARKS

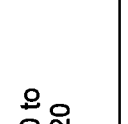
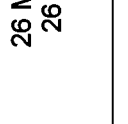
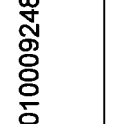
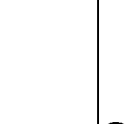

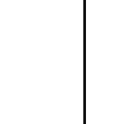
As at the LPD, we have registered the following trademarks or have filed the following applications for trademark registration in the following jurisdictions which are used in our operations and businesses:

C.1 Malaysia






We are the registered owner/ applicant of the following trademarks in accordance with the Trade Marks Act 1976 of Malaysia:

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
1.		090163358	18 September 2009 to 18 September 2019	43 ^(a)
2.		090163359	18 September 2009 to 18 September 2019	43 ^(a)
3.	(Coloured and black & white marks) 	2011011105	16 June 2011 to 16 June 2021	16 ^(b)
4.	(Coloured and black & white marks) 	2011011201	17 June 2011 to 17 June 2021	36 ^(c)
5.	(Coloured and black & white marks) 	2011011107	16 June 2011 to 16 June 2021	37 ^(d)
6.	(Coloured and black & white marks) 	2011011106	16 June 2011 to 16 June 2021	43 ^(e)


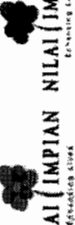
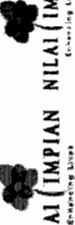
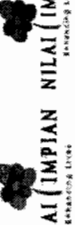
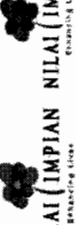
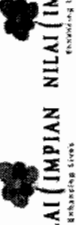
ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
7.	(Coloured and black & white marks) 	2010009357	27 May 2010 to 27 May 2020	16 ^(f)
8.	(Coloured and black & white marks) 	2010009243	26 May 2010 to 26 May 2020	28 ^(g)
9.	(Coloured and black & white marks) 	2010009248	26 May 2010 to 26 May 2020	35 ^(h)
10.	(Coloured and black & white marks) 	2010009246	26 May 2010 to 26 May 2020	41 ⁽ⁱ⁾
11.	(Coloured and black & white marks) 	2010009247	26 May 2010 to 26 May 2020	43 ^(j)
12.	(Coloured and black & white marks) 	2010009242	26 May 2010 to 26 May 2020	37 ^(k)
13.	DENAI ALAM	05000725	14 January 2015 to 14 January 2025	35 ^(l)


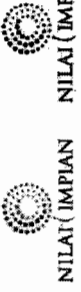
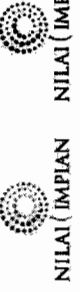
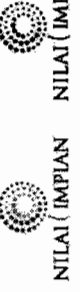
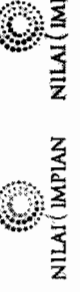
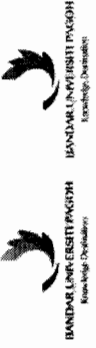
ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
14.	DENAI ALAM	05000726	14 January 2015 to 14 January 2025	37 ^(m)
15.	 ANYAMAN	2014057041	16 May 2014 to 16 May 2024	37 ⁽ⁿ⁾
16.	 JENDELA	2014057042	16 May 2014 to 16 May 2024	37 ⁽ⁿ⁾
17.	SUSDEX	2014068967	16 December 2014 to 16 December 2024	36 ^(o)
18.	SUSDEX	2014068965	16 December 2014 to 16 December 2024	37 ^(p)
19.		97018489	1 December 1997 to 1 December 2017	43 ^(q)
20.	(Coloured and black & white marks) 	2016055720	N/A ⁽²⁾	28 ^(e)
21.	(Coloured and black & white marks) 	2016055639	N/A ⁽²⁾	35 ^(r)





ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
22.	(Coloured and black & white marks) 	2016055640	N/A ⁽²⁾	41 ^(s)
23.	(Coloured and black & white marks) NILAI IMPIAN Enhancing Lives 	2016068483	7 October 2016 to 7 October 2026	16 ^(t)
24.	(Coloured and black & white marks) NILAI IMPIAN Enhancing Lives 	2016068484	N/A ⁽²⁾	25 ^(u)
25.	(Coloured and black & white marks) NILAI IMPIAN Enhancing Lives 	2016068485	N/A ⁽²⁾	35 ^(v)
26.	(Coloured and black & white marks) NILAI IMPIAN Enhancing Lives 	2016068486	N/A ⁽²⁾	36 ^(w)
27.	(Coloured and black & white marks) NILAI IMPIAN Enhancing Lives 	2016068487	N/A ⁽²⁾	37 ^(x)






ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
28.	(Coloured and black & white marks) 	2017056006	N/A ⁽²⁾	16 ⁽¹⁾
29.	(Coloured and black & white marks) 	2017056008	N/A ⁽²⁾	25 ⁽¹⁾
30.	(Coloured and black & white marks) 	2017056011	N/A ⁽²⁾	35 ⁽¹⁾
31.	(Coloured and black & white marks) 	2017056016	N/A ⁽²⁾	36 ⁽¹⁾
32.	(Coloured and black & white marks) 	2017056018	N/A ⁽²⁾	37 ⁽¹⁾
33.	(Coloured and black & white marks) BANDAR UNIVERSITI PAGOHO Knowledge Destination 	2016068491	7 October 2016 to 7 October 2026	16 ⁽¹⁾






ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
34.	<p>(Coloured and black & white marks) BANDAR UNIVERSITI PAGO Knowledge Destination  BANDAR UNIVERSITI PAGO Knowledge Destination</p>	2016068492	7 October 2016 to 7 October 2026	25 ^(u)
35.	<p>(Coloured and black & white marks) BANDAR UNIVERSITI PAGO Knowledge Destination  BANDAR UNIVERSITI PAGO Knowledge Destination</p>	2016068494	7 October 2016 to 7 October 2026	35 ^(v)
36.	<p>(Coloured and black & white marks) BANDAR UNIVERSITI PAGO Knowledge Destination  BANDAR UNIVERSITI PAGO Knowledge Destination</p>	2016068496	7 October 2016 to 7 October 2026	36 ^(w)
37.	<p>(Coloured and black & white marks) BANDAR UNIVERSITI PAGO Knowledge Destination  BANDAR UNIVERSITI PAGO Knowledge Destination</p>	2016068499	7 October 2016 to 7 October 2026	37 ^(x)








ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
38.	<p>(Coloured and black & white marks)</p> 	2016068530	7 October 2016 to 7 October 2026	16 ⁽ⁱ⁾
39.	<p>(Coloured and black & white marks)</p> 	2016068531	7 October 2016 to 7 October 2026	25 ^(u)
40.	<p>(Coloured and black & white marks)</p> 	2016068532	7 October 2016 to 7 October 2026	35 ^(v)
41.	<p>(Coloured and black & white marks)</p> 	2016068533	7 October 2016 to 7 October 2026	36 ^(w)
42.	<p>(Coloured and black & white marks)</p> 	2016068534	7 October 2016 to 7 October 2026	37 ^(x)


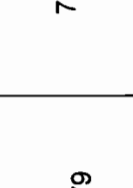


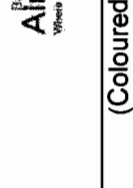
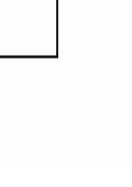
ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
43.	(Coloured and black & white marks) 	2016068535	7 October 2016 to 7 October 2026	16 ⁽¹⁾
44.	(Coloured and black & white marks) 	2016068537	7 October 2016 to 7 October 2026	25 ^(w)
45.	(Coloured and black & white marks) 	2016068539	7 October 2016 to 7 October 2026	35 ^(v)
46.	(Coloured and black & white marks) 	2016068540	7 October 2016 to 7 October 2026	36 ^(w)
47.	(Coloured and black & white marks) 	2016068542	7 October 2016 to 7 October 2026	37 ^(x)

ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
48.	(Coloured and black & white marks) 	2016068501	7 October 2016 to 7 October 2026	16 ⁽¹⁾
49.	(Coloured and black & white marks) 	2016068502	7 October 2016 to 7 October 2026	25 ^(u)
50.	(Coloured and black & white marks) 	2016068504	7 October 2016 to 7 October 2026	35 ^(v)
51.	(Coloured and black & white marks) 	2016068506	7 October 2016 to 7 October 2026	36 ^(w)
52.	(Coloured and black & white marks) 	2016068508	7 October 2016 to 7 October 2026	37 ^(x)
53.	(Coloured and black & white marks) 	2016068476	7 October 2016 to 7 October 2026	16 ⁽¹⁾
54.	(Coloured and black & white marks) 	2016068477	7 October 2016 to 7 October 2026	25 ^(u)






ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
55.	(Coloured and black & white marks) 	2016068478	7 October 2016 to 7 October 2026	35 ^(v)
56.	(Coloured and black & white marks) 	2016068479	7 October 2016 to 7 October 2026	36 ^(w)
57.	(Coloured and black & white marks) 	2016068481	7 October 2016 to 7 October 2026	37 ^(x)
58.	(Coloured and black & white marks) 	2016068517	7 October 2016 to 7 October 2026	16 ^(t)
59.	(Coloured and black & white marks) 	2016068519	7 October 2016 to 7 October 2026	25 ^(u)
60.	(Coloured and black & white marks) 	2016068521	7 October 2016 to 7 October 2026	35 ^(v)





ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
61.	(Coloured and black & white marks) 	2016068522	7 October 2016 to 7 October 2026	36 ^(w)
62.	(Coloured and black & white marks) 	2016068523	7 October 2016 to 7 October 2026	37 ^(x)
63.	(Coloured and black & white marks) 	2016068524	7 October 2016 to 7 October 2026	16 ^(t)
64.	(Coloured and black & white marks) 	2016068525	7 October 2016 to 7 October 2026	25 ^(u)
65.	(Coloured and black & white marks) 	2016068526	7 October 2016 to 7 October 2026	35 ^(v)
66.	(Coloured and black & white marks) 	2016068528	7 October 2016 to 7 October 2026	36 ^(w)

ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
67.	(Coloured and black & white marks) 	2016068546	7 October 2016 to 7 October 2026	37 ^(x)
68.	(Coloured and black & white marks) Chemara Hills SEREMBAN 	2016068509	7 October 2016 to 7 October 2026	16 ^(y)
69.	(Coloured and black & white marks) Chemara Hills SEREMBAN 	2016068510	7 October 2016 to 7 October 2026	25 ^(z)
70.	(Coloured and black & white marks) Chemara Hills SEREMBAN 	2016068511	7 October 2016 to 7 October 2026	35 ^(v)
71.	(Coloured and black & white marks) Chemara Hills SEREMBAN 	2016068512	7 October 2016 to 7 October 2026	36 ^(w)

ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
72.	(Coloured and black & white marks) Chemara Hills SEREMBAN  Chemara Hills Chemara Hills SEREMBAN SEKEMPURAN	2016068513	7 October 2016 to 7 October 2026	37 ^(x)
73.	ALYA KUALA LUMPUR  KUALA LUMPUR	2016065347	19 August 2016 to 19 August 2026	36 ^(w)
74.	ALYA KUALA LUMPUR  KUALA LUMPUR	2016065348	19 August 2016 to 19 August 2026	37 ^(x)
75.	ALYA KUALA LUMPUR  KUALA LUMPUR.	2016065349	19 August 2016 to 19 August 2026	41 ^(y)
76.	ISOLA	2017055435	N/A ⁽²⁾	35 ^(v)
77.	ISOLA	2017055436	N/A ⁽²⁾	36 ^(w)
88.	ISOLA	2017055437	N/A ⁽²⁾	37 ^(x)





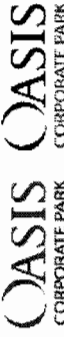
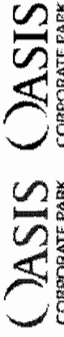
ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
79.	ISOLA	2017055438	N/A ⁽²⁾	42 ^(z)
80.	ISOLA	2017055439	N/A ⁽²⁾	43 ^(aa)
81.	(Coloured and black & white marks) ISOLA ISOLA	2017055443	N/A ⁽²⁾	35 ^(v)
82.	(Coloured and black & white marks) ISOLA ISOLA	2017055440	N/A ⁽²⁾	36 ^(w)
83.	(Coloured and black & white marks) ISOLA ISOLA	2017055441	N/A ⁽²⁾	37 ^(x)
84.	(Coloured and black & white marks) ISOLA ISOLA	2017055442	N/A ⁽²⁾	42 ^(z)


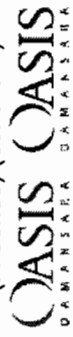
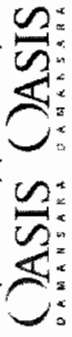
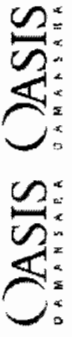

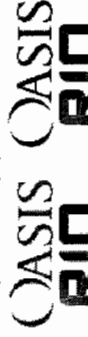
ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks (Coloured and black & white marks)	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
85.	ISOLA ISOLA	2017055444	N/A ⁽²⁾	43 ^(aa)
86.	SJCC	2015060543	3 July 2015 to 3 July 2025	16 ^(bb)
87.	SJCC	2015060546	3 July 2015 to 3 July 2025	35 ^(cc)
88.	SJCC	2015060550	3 July 2015 to 3 July 2025	36 ^(dd)
89.	SJCC	2015060551	3 July 2015 to 3 July 2025	37 ^(ee)
90.	SJCC	2017050829	N/A ⁽²⁾	16 ^(bb)
91.	SJCC	2017050834	N/A ⁽²⁾	35 ^(cc)
92.	SJCC	2017050835	N/A ⁽²⁾	36 ^(dd)



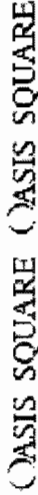



ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
93.		2017050837	N/A ⁽²⁾	37 ^(ee)
94.		2017056565	N/A ⁽²⁾	35 ^(v)
95.		2017056566	N/A ⁽²⁾	36 ^(w)
96.		2017056568	N/A ⁽²⁾	37 ^(x)
97.	OASIS AUTONEXUS OASIS AUTONEXUS	2016066804	N/A	35 ^(m)
98.	OASIS CORPORATE PARK (in series) (col & b/w) 	2016054283	14 March 2016 to 14 March 2026	35 ⁽⁹⁹⁾
99.	OASIS CORPORATE PARK (in series) (col & b/w) 	2016054285	14 March 2016 to 14 March 2026	36 ^(w)

ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
100.	OASIS CORPORATE PARK (in series) (col & b/w) 	2016054287	14 March 2016 to 14 March 2026	37 ^(hh)
101.	OASIS DAMANSARA (in series) (col & b/w) 	2016054279	14 March 2016 to 14 March 2026	35 ^(gg)
102.	OASIS DAMANSARA (in series) (col & b/w) 	2016054280	14 March 2016 to 14 March 2026	36 ^(w)
103.	OASIS DAMANSARA (in series) (col & b/w) 	2016054282	14 March 2016 to 14 March 2026	37 ^(hh)
104.	OASIS RIO (in series) (col & b/w) 	2016054289	N/A	35 ^(gg)
105.	OASIS RIO (in series) (col & b/w) 	2016054290	N/A	36 ^(w)

ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
106.	OASIS RIO (in series) (col & b/w) 	2016054291	N/A	37 ^(hh)
107.	OASIS SQUARE (in series) (col & b/w) 	2016054274	14 March 2016 to 14 March 2026	35 ^(gg)
108.	OASIS SQUARE (in series) (col & b/w) 	2016054275	14 March 2016 to 14 March 2026	36 ^(w)
109.	OASIS SQUARE (in series) (col & b/w) 	2016054278	14 March 2016 to 14 March 2026	37 ^(hh)
110.	SENADA 	2016065280	19 August 2016 to 19 August 2026	35 ⁽ⁱⁱ⁾
111.	SENADA 	2016065282	19 August 2016 to 19 August 2026	36 ^(w)

ANNEXURE C: OUR TRADEMARKS (Cont'd)

No.	Trademarks	Registration no. / Application no.	Validity period ⁽¹⁾	Class of trademark ⁽³⁾
112.	SENADA SENADA	2016065286	19 August 2016 to 19 August 2026	37 ⁽ⁱⁱ⁾
113.	SENADA SENADA	2016065288	19 August 2016 to 19 August 2026	41 ^(v)
114.	SENADA SENADA	2016065290	19 August 2016 to 19 August 2026 N/A	43 ^(kk)

Notes:

- (1) Trademarks registered in Malaysia will be valid for a period of 10 years from the date of application and may be renewed for further periods of 10 years.
- (2) Applications for registration of trademarks have been made to the Intellectual Property Corporation of Malaysia. As at the LPD, these marks are pending registration.
- (3) Description of each class under which the trademark is registered is as follows:
- (a) Bar and lounge services; cafes; cafeterias; canteens; central kitchen (food preparation) services; catering services; food and drink catering; provision of food and drinks; restaurants; restaurant chains; self-service restaurants; snack-bars; take away food and drink services; all included in class 43.
- (b) Newsletters; newspapers; printed publications; all included in Class 16.
- (c) Advisory services relating to insurance; apartment house management; consultancy in establishing employee benefit funds; consultancy in establishing scheme development and administration; financial risk management; insurance; insurance risk management; insurance brokerage; insurance broking; insurance services; insurance administration; insurance management services; insurance consultation services; leasing of real estate; mortgage banking; professional indemnity insurance; real estate management; rental of offices (real estate); reinsurance; renting of apartments; renting of flats; scheme development and administration; all included in class 36.

ANNEXURE C: OUR TRADEMARKS (Cont'd)

- (d) *Maintenance services for onshore and offshore engineering work; building project management; bricklaying; building construction supervision; building insulating; building sealing; cleaning of buildings (exterior surface); car wash; construction information; construction of roads, bridges and dams; cable laying; damp-proofing (building); equipment installation; environmental monitoring; installation for instrumentation systems for oil and gas; installation of doors and windows; information technology; instrumentation for oil and gas industries; maintenance of equipment and major components and assembly works; machinery installation, maintenance and repair of land vehicles; maintenance and repair of motor vehicle maintenance and repair; maintenance and repair of buildings; marine engineering; motor vehicle wash; office renovations; overhaul of engines; overhaul of machines; overhaul of vehicles; painting, interior and exterior; plastering; pipe laying services; pipeline construction and maintenance; plumbing; quarrying services; rebuilding engines that have been worn or partially destroyed; rental of construction equipment and machinery; rental of bulldozers; rental of construction equipment; repair and maintenance of buildings; rental of excavators; repair services; repair information; repair of security locks; refurbishment; roofing services; safe maintenance and repair; sanding; scaffolding; shipbuilding; underwater construction; underwater repair; vehicle cleaning; vehicle maintenance; vehicle lubrication (greasing); vehicle polishing; vehicle repair; vehicle wash; all included in class 37.*
- (e) *Accommodation bureaux (hotels, boarding houses); accommodation reservations (temporary); cafés; cafeterias; canteens; food and drink catering; hotel reservations; laboratory services; laboratory services (scientific research or analysis); rental of meeting rooms; rental of temporary accommodation; restaurants; self-service restaurants; snack-bars; tourist homes; all included in class 43.*
- (f) *Face towel of paper; coasters of paper; table napkins of paper; boxes of cardboard or paper; pencils with logo; paper bag (for take away); tissue; napkins of paper; prospectus; pamphlets; stationery; pens; envelopes; newsletters; rules and regulation booklet; gift wrapper; letterhead; notebook/note pad; calendar; all included in class 16.*
- (g) *Golf clubs; golf gloves; golf ball markers; golf apparatus; golf games; golf irons; articles for playing golf; golf balls; apparatus for use in playing golf; amusement machines, automatic and coin-operated; stationary exercise bicycles; bowling apparatus and machinery; dumb-bells; balls for games; golf bags; tables for table tennis; tennis nets; divot repair tools (golf accessories); all included in class 28.*
- (h) *Business information; administration of business; business management; offering technical assistance in the establishment and/or operation of sporting good stores featuring golf equipment, clothing and accessories; retail store services in the field of sporting goods namely golf equipment, clothing and accessories; rental of advertising space; sponsorship search; all included in class 35.*
- (i) *Club services (entertainment or education) providing golf facilities; providing sports facilities; providing recreation facilities; golf tournaments; provision of facilities for playing golf; rental of golf equipment; organisation of sports competitions; recreation information; movie theatre presentations; presentation of live performances; providing amusement arcade services; providing karaoke services; all included in class 41.*
- (j) *Cafes; cafeterias; catering (food and drink); all included in class 43.*
- (k) *Advisory services relating to property development; property development; project management for property development; all included in class 37.*
- (l) *Administration of sales, advertisement and promotions; all included in class 35.*
- (m) *Property development, building and construction; all included in class 37.*

ANNEXURE C: OUR TRADEMARKS (Cont'd)

- (n) *Building and construction services; building and construction of real estate subdivisions and developments; building cleaning; building construction; building demolition; building maintenance; building of apartment buildings, bridges, commercial properties, fair stalls, shops, houses, industrial properties, offices, roads and schools; building project management; building project management to oversee the manufacture and installation of shop fittings, stands and interiors; commercial retail property development services; construction inspection; construction, restoration, renovation, refurbishment, interior decorating, maintenance, repair and cleaning of real estate, residential, industrial and commercial properties, offices, business centres, departmental stores, shopping centres, retail and wholesale outlets, service apartments, houses, condominiums, apartments; development of property; housing construction; property development (building and construction services); real estate development (building and construction services); project management services in respect of property development and property construction; project management work relating to building contracts; real estate development; renovation of buildings; repair of buildings; advisory services relating to property development; advisory services relating to the renovation of property; restoration of office and retail premises; all included in Class 37.*
- (o) *Rental and leasing of apartments, accommodation, houses and real estate; management of apartment house accommodation; property portfolio management; provision of housing accommodation; information services relating to provision of housing accommodation; advisory and consultancy services relating to management of accommodation; housing agency; estate and real estate agency services; management of property and real estate; real estate appraisals (valuations); leasing, letting and rental of property, business and shopping premises; rent collection; real estate selection and acquisition (on behalf of others); administration of financial affairs relating to real estate; advisory services relating to real estate ownership; corporate real estate advisory services; investment advisory services relating to real estate; real estate administration; real estate consultancy; real estate investment advice; real estate investment management; real estate investment services; information, advisory and consultancy services relating to these services; all of the above services also provided on-line from a computer database or the Internet.*
- (p) *Building and construction services; construction, renovation, refurbishment, maintenance and repair of real estate, residential, industrial and commercial properties, offices, business centers, departmental stores, shopping centers, retail and wholesale outlets, temporary accommodation, hotels, motels, resorts, service apartments, buildings, houses, condominiums, apartments, flats, warehouses, factories and developments; real estate and property development; real estate and property maintenance services; advisory and consultancy services relating to the aforesaid; all included in class 37.*
- (q) *Provision, operation and management of service apartments; all included in class 43.*
- (r) *Business information; administration of business; business management; office functions; advice relating to business management, business sales management and marketing management; business advice relating to marketing, business consultancy; career advisory services; organization of event, exhibitions, fairs and shows for commercial, promotional and advertising purposes; administration of consumer loyalty programs; promotional, marketing and advertising services, including promotional, marketing and advertising communications via the Internet, social media sites, websites, email, television, radio, billboards and banners; rental of advertising space; distribution and dissemination of promotional, marketing and advertising materials; promotion of education and training; sponsorship (promotions and marketing services); sponsorship search; charitable services, namely organising and conducting community service projects; charitable services, namely business management and administration; retail services, including retail of clothing, footwear and headgear; provision of information about the aforesaid services, including via the Internet, social media sites, websites, email, television and radio; all included in class 35.*

ANNEXURE C: OUR TRADEMARKS (Cont'd)

- (s) *Arranging, organising and conducting conferences, seminar, workshops, congresses; organization of competition (education or entertainment); organization of exhibitions for cultural or educational purposes; practical training (demonstration); production of radio and television programmes; providing on-line electronic publications; providing information relating to entertainment and lifestyle to multiple users via the world wide web or the internet or other on-line databases; club services (entertainment or education) providing golf facilities; providing sports facilities; providing recreation facilities; golf tournaments; provision of facilities for playing golf; rental of golf equipment; organization of sports competitions; recreation information; movie theatre presentations; presentation of live performances; providing amusement arcade services; organization of sports competitions; all included in class 41.*
- (t) *Adhesives (glues) for stationery or household purposes; announcement cards (stationery); artist and materials; instructional and teaching material (except apparatus); bookbinding apparatus and machines (office equipment); bookbinding material; bookbindings; calendars; cardboard; cards; covers (stationery); drawing boards; drawing instruments; drawing materials; envelopes (stationery); files (office requisites); greeting cards; instructional and teaching material (except apparatus); index cards (stationery); ink; loose-leaf binders; magazines (periodicals); manuals (handbooks); newsletters; newspapers; note books; pads (stationery); paint brushes; paper-clips; plastic materials for packaging; posters; printed matter, printed publications; printed timetables; printers type; printed matter for instructional purposes; printing blocks; paper, cardboard and goods made from these materials, not included in other classes; printed matter, bookbinding materials; photographs; seals (stamps); stationery, adhesives for stationery or household purposes; typewriters and office requisites (except furniture); pencils; pens (office requisites); writing instruments; writing materials; writing pads; writing paper; all included in class 16.*
- (u) *Beach shoes; belts (clothing); boot uppers; boots; boots for sports; caps (headwear); clothing; clothing of imitations of leather; clothing of leather; coats; cuffs; football boots; football shoes; footwear; footwear uppers; headgear; half-boots; hats; heels; jackets (clothing); lace boots; neckties; pants; sandals; scarfs; scarves; shawls; shirts; shoes; socks; soles for footwear, sports jerseys; stockings; suits; swimwear; trousers; underwear; all included in class 25.*
- (v) *Business management and business administration; business management and administration of real estate, residential, industrial and commercial properties, offices, business centres, departmental stores, shopping centres, retail and wholesale outlets, temporary accommodation, hotels, motels, resorts, service apartments, buildings, houses, condominiums, apartments, flats, warehouses, factories and developments; organization of conventions, conferences and exhibitions for business and commercial purposes; the bringing together for the benefit of others, of a variety of departmental stores, retail and wholesale outlets, restaurants and service providers; the bringing together for the benefit of others, of a variety of goods and services, enabling customers to conveniently view and purchase those goods and services in departmental stores, shopping centres, retail and wholesale outlets, hotel, food and beverage outlet, from a general merchandise catalogue by mail order or by means of telecommunications, or from a general merchandise global communications network website; compilation of mailing lists; direct mail advertising; advertising services; rental of advertising space; display services for merchandise; publicity services; marketing and promotional services, market analysis and research; organisation of business competitions; advisory and consultancy services relating to aforesaid; all included in class 35.*

ANNEXURE C: OUR TRADEMARKS (Cont'd)

- (w) *Real estate affairs; real estate agency services; real estate consultancy services; real estate and land acquisition; real estate and property investment; real estate management; valuation, rental and leasing of real estate; real estate services comprising sale properties, realty administration and management of properties, property and housing development services; arranging rental and leases of real estate; management of property or property portfolio; letting and leasing of real estate, residential, industrial and commercial properties, offices, business centres, retail and wholesale outlets, shop lots, service apartments, buildings, houses, condominiums, apartments, flats, warehouses, departmental stores, shopping centres, factories and developments; project management and co-ordination, all relating to real estate; real estate investment trust services; rent collection; provision of information relating to property (real estate); advisory, information and consultancy services relating to the aforesaid services; all included in class 36.*
- (x) *Building and construction services; building and construction of real estate subdivisions and developments; building cleaning; building construction; building demolition; building maintenance; building of commercial properties, industrial properties, residential properties, offices, business centres, retail and wholesale outlets, roads, schools; building project management; commercial retail property development services; construction inspection; construction, restoration, renovation, refurbishment, interior decorating, maintenance, repair and cleaning of real estate, residential, industrial and commercial properties, offices, business centres, departmental stores, shopping centres, retail and wholesale outlets, houses, condominiums; housing construction; property development (building and construction services); real estate development (building and construction services); project management services in respect of property development and property construction; project management work relating to building contracts; restoration of office and retail premises; building constructions supervision, building insulating, building refurbishment; real estate development; renovation of buildings; repair of buildings; installation, repair and maintenance services; development of land (constructions); construction of complexes for recreational purposes; installation of doors and windows; painting, interior and exterior; road paving; roofing services; advisory services relating to property development; advisory services relating to the renovation of property; all included in class 37.*
- (y) *Club services (entertainment or education); sports club services; providing golf facilities; providing sports facilities; providing recreation facilities; golf tournaments; provision of facilities for playing golf; rental of golf equipment; organization of sports competitions; recreation information; movie theatre presentations; presentation of live performances; providing amusement arcade services; providing karaoke services; event management services (organisation of educational, entertainment or cultural events); entertainment services; entertainment information; provision of entertainment facilities; arranging of entertainment; organisation of entertainment or social events; all included in class 41.*
- (z) *Surveying, engineering, engineering drawing and architecture services; architectural services relating to the development of land; design and planning for real estate, residential, industrial and commercial properties, offices, business centres, departmental stores, shopping centers, retail and wholesale outlets, temporary accommodation, hotels, motels, resorts, service apartments, buildings, houses, condominiums, apartments, flats, warehouses, factories and developments; planning and design of layout of residential and commercial developments; advisory and consultancy services relating to the aforesaid; all included in class 42.*
- (aa) *Temporary accommodation services; accommodation bureaux; hotel, motel and resort services; temporary and short-term accommodation (service apartments); reservation services for temporary accommodation, accommodation bureaux, hotel, resorts; services for providing food and drink; restaurant, bar and catering services; cocktail lounge services, provision of conference facilities, rental of meeting rooms, temporary accommodation, transportable buildings and tents; rental of chairs, tables, table linen, glassware; advisory and consultancy services relating to the aforesaid; all included in class 43.*

ANNEXURE C: OUR TRADEMARKS (Cont'd)

- (bb) Paper, cardboard and goods made from these materials, not included in other classes; printed publications; letterheads, notebooks, information booklets and leaflets; magazines; periodical publications; books; brochures; catalogues; stationery; envelopes (stationery); newsletters; posters and pamphlets; stickers; greeting cards, name cards; paper articles for packaging (wrapping purposes), cardboard or plastics; diaries; calendars; advertising and promotional material; advertisement boards of paper or cardboard; document files and holders; photographs, rubber stamps (office requisites); all included in Class 16.
- (cc) Advertising; advertising by mail order; outdoor advertising; rental of advertising space; business information; business inquiries; business management and organization consultancy; business administration; office functions; conducting of business feasibility studies; compilation of business statistics; business management assistance; business research; business analysis services; business assistance for outsourcing services; commercial information and advice for consumers (consumer advice shop); commercial or industrial management assistance; compilation of statistics; marketing research; marketing studies; public relations; publicity; material rental; personnel recruitment; advertising material (updating of -); business management consultancy; business management of hotels, residential, industrial, commercial properties, buildings, office space, business centers, departmental stores, shopping centers, retail and wholesale outlets, service apartments and apartments; business organization consultancy; communication media (presentation of goods on -), for retail purposes; compilation of information into computer databases; data processing; consultancy (professional business -); consumers (commercial information and advice for -) (consumer advice shop); cost price analysis; demonstration of goods; direct mail advertising; dissemination of advertising matter, distributed of samples; document reproduction; exhibitions (organization of -) for commercial or advertising purposes; file management (computerized -); import-export agencies; industrial management assistance (commercial or -); information agencies (commercial-); information (business -); inquiries (business -); invoicing; management (advisory services for business -); management assistance (commercial or industrial -); modelling for advertising or sales promotion; on-line advertising on a computer network; opinion polling; organization of exhibitions for commercial or advertising purposes; organization of trade fairs for commercial or advertising purposes; polling (opinion -); presentation of goods on communication media, for retail purposes; the bringing together, for the benefit of others, of a variety of goods (excluding the transport thereof), enabling customers to conveniently view and purchase those goods from a retail outlet, a wholesale outlet or a distributor outlet; management of a retail enterprise for others; price comparison services; recruitment (personnel -); relocation services for businesses; rental of advertising time on communication media; rental of photocopying machines; rental (publicity material -); research (business -); retail purposes (presentation of goods on communication media, for -); samples (distribution of -); television advertising; television commercials; radio advertising; radio commercials; production of television and radio advertisements; updating of advertising material; vending machines (rental of -); writing of publicity texts; publication of publicity texts; organization, operation and supervision of loyalty and incentives schemes; all included in Class 35.
- (dd) Real estate agency services; letting and leasing of real estate namely residential, industrial and commercial properties, buildings, office space, business centers, departmental stores, shopping centers, retail and wholesale outlets, service apartments, apartments; property sales services relating to real estate development; research services relating to real estate; rental of real estate namely residential, industrial and commercial properties, office space, business centers, departmental stores, shopping centers, retail and wholesale outlets, service apartments, apartments; management, valuation and consultation, all relating to real estate; all included in Class 36.
- (ee) Real estate and property development; construction of commercial and residential properties; building construction services; building construction supervision; building project management; on site building project management relating to the construction of buildings; civil and structural engineering services (construction); repair and maintenance services; cleaning of building exteriors and interiors; installation of fittings for buildings; renovation, refurbishment, maintenance, repair of real estate, commercial properties, offices, business centers, departmental stores, shopping malls, retail and wholesale outlets, residential and industrial properties, temporary accommodation, hotels, motels, resorts, service apartments, building, houses, condominiums, warehouses, factories; advisory, consultancy and information services relating to all the aforesaid services; all included in Class 37.

ANNEXURE C: OUR TRADEMARKS (Cont'd)


- (ff) *Business management and business administration; business advisory services relating to franchising of a motor dealerships; business advisory services relating to the establishment of a motor dealerships; business management and administration of real estate, residential, industrial and commercial properties, offices, business centres, departmental stores, shopping centers, retail and wholesale outlets, temporary accommodation, hotels, motels, resorts, service apartments, buildings, houses, condominiums, apartments, flats, warehouses, factories and developments; organization of conventions, conferences and exhibitions for business and commercial purposes; the bringing together for the benefit of others, of a variety of departmental stores, retail and wholesale outlets, restaurants and service providers; the bringing together for the benefit of others, of a variety of goods and services, enabling customers to conveniently view and purchase those goods and services in departmental stores, shopping centers, retail and wholesale outlets, hotel, food and beverage outlet, from a general merchandise catalogue by mail order or by means of telecommunications, or from a general merchandise global communications network website; compilation of mailing lists; direct mail advertising; advertising services; display services for merchandise; publicity services; marketing and promotional services, market analysis and research; organization of business competitions; advisory and consultancy services relating to aforesaid; all included in class 35.*
- (gg) *Business management and business administration; business management and administration of real estate, residential, industrial and commercial properties, offices, business centers, departmental stores, shopping centers, retail and wholesale outlets, temporary accommodation, hotels, motels, resorts, service apartments, buildings, houses, condominiums, apartments, flats, warehouses, factories and developments; organization of conventions, conferences and exhibitions for business and commercial purposes; the bringing together for the benefit of others, of a variety of departmental stores, retail and wholesale outlets, restaurants and service providers; the bringing together for the benefit of others, of a variety of goods and services, enabling customers to conveniently view and purchase those goods and services in departmental stores, shopping centers, retail and wholesale outlets, hotel, food and beverage outlet, from a general merchandise catalogue by mail order or by means of telecommunications, or from a general merchandise global communications network website; compilation of mailing lists; direct mail advertising; advertising services; display services; publicity services; marketing and promotional services, market analysis and research; organization of business competitions; advisory and consultancy services relating to aforesaid; All included in class 35.*
- (hh) *Building and construction services; building and construction of real estate subdivisions and developments; building cleaning; building construction; building demolition; building maintenance; building of commercial properties, industrial properties, residential properties, offices, business centres, retail and wholesale outlets, roads, schools; building project management; commercial retail property development services; construction inspection; construction, restoration, renovation, refurbishment, interior decorating, maintenance, repair and cleaning of real estate, residential, industrial and commercial properties, offices, business centres, departmental stores, shopping centres, retail and wholesale outlets, houses, condominiums; housing construction; property development (building and construction services); real estate development (building and construction services); project management services in respect of property development and property construction; project management work relating to building contracts; real estate development; renovation of buildings; repair of buildings; advisory services relating to property development; advisory services relating to the renovation of property; restoration of office and retail premises; building constructions supervision, building insulating, building demolition, building cleaning, building refurbishment; installation, repair and maintenance services; development of land (constructions); construction of complexes for recreational purposes; installation of doors and windows; painting, interior and exterior, road paving; roofing services; advisory and consultancy services relating to the aforesaid services; All included in class 37.*

ANNEXURE C: OUR TRADEMARKS (Cont'd)

- (ii) *Business management and business administration; business management and administration of real estate, residential, industrial and commercial properties, offices, business centres, departmental stores, shopping centres, retail and wholesale outlets, temporary accommodation, hotels, motels, resorts, service apartments, buildings, houses, condominiums, apartments, flats, warehouses, factories and developments; organization of conventions, conferences and exhibitions for business and commercial purposes; the bringing together for the benefit of others, of a variety of departmental stores, retail and wholesale outlets, restaurants and service providers; the bringing together for the benefit of others, of a variety of goods and services, enabling customers to conveniently view and purchase those goods and services in departmental stores, shopping centres, retail and wholesale outlets, hotel, food and beverage outlet, from a general merchandise catalogue by mail order or by means of telecommunications, or from a general merchandise global communications network website; compilation of mailing lists; direct mail advertising; advertising services; rental of advertising space; display services for merchandise; publicity services; marketing and promotional services, market analysis and research; organization of business competitions; offering technical assistance in the establishment and/or operation of sporting goods stores featuring golf equipment, clothing and accessories; retail store services in the field of sporting goods namely golf equipment, clothing and accessories; sponsorship search; advisory and consultancy services relating to aforesaid; All included in class 35.*
- (jj) *Building and construction services; building and construction of real estate subdivisions and developments; building cleaning; building construction; building demolition; building maintenance; building of commercial properties, industrial properties, residential properties, offices, business centres, retail and wholesale outlets, roads, schools; building project management; commercial retail property development services; construction inspection; construction, restoration, renovation, refurbishment, interior decorating, maintenance, repair and cleaning of real estate, residential, industrial and commercial properties, offices, business centres, departmental stores, shopping centres, retail and wholesale outlets, houses, condominiums; housing construction; property development (building and construction services); real estate development (building and construction services); project management services in respect of property development and property construction; project management work relating to building contracts; restoration of office and retail premises; building constructions supervision, building insulating, building refurbishment; real estate development; renovation of buildings; repair of buildings; installation, repair and maintenance services; development of land (constructions); construction of complexes for recreational purposes; installation of doors and windows; painting, interior and exterior; road paving; roofing services; advisory services relating to property development; advisory services relating to the renovation of property; All included in class 37.*
- (kk) *Provision of temporary accommodation; rental of temporary accommodation; temporary accommodation reservation services; resort services; restaurant, bar and catering services; hotel services; provision of food and drink; information services relating to provision of temporary accommodation; information services relating to hotel services; advisory and consultancy services relating to provision of temporary accommodation; advisory and consultancy services relating to hotel services; arranging, letting and rental of holiday accommodation; holiday and accommodation reservations; room hire; provision of conference, exhibition and convention facilities; information, advisory and consultancy services relating to these services; all of the above services also provided on-line from a computer database or the Internet; all included in class 43.*

ANNEXURE C: OUR TRADEMARKS (Cont'd)**C.2 Australia**

We are the registered owner of the following trademark in accordance with the Trade Marks Act 1995 of Australia:


No.	Trademarks	Registration no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
1.	EAGLES COVE	1306233	25 June 2009 to 25 June 2019	36, 37, 39, 43 and 45
2.	SERENITY COVE	1503243	17 July 2012 to 17 July 2022	36, 37, 39, 43 and 45
3.	 OYSTER COVE	1273846	24 November 2008 to 24 November 2018	36, 37, 39, 43 and 45

Notes:

- (1) Trademarks registered in Australia will be valid for a period of 10 years from the date of application and may be renewed for further periods of 10 years.
- (2) Description of each class under which the trademark is registered is as follows:
- (a) Class 36 - Real estate management, real estate agency services, leasing of shopping premises
 - (b) Class 37 - Real estate development, building and construction of real estate subdivisions and developments
 - (c) Class 39 - Marina services
 - (d) Class 43 - Restaurants and cafes
 - (e) Class 45 - Security services for protection of property and individuals

ANNEXURE C: OUR TRADEMARKS (Cont'd)**C.2 Singapore**

We are the registered owner of the following trademark in accordance with the Trade Marks Act (Chapter 332) of Singapore:

No.	Trademark	Registration no.	Validity period ⁽¹⁾	Class of trademark ⁽²⁾
1.		T9912790H	9 November 1999 to 9 November 2019	Class 36

Notes:


- (1) Trademarks registered in Singapore will be valid for a period of 10 years from the date of application and may be renewed for further periods of 10 years.
- (2) The trademark is registered under Class 36 with the goods or services specification of provision, operation and management of service apartments.

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ANNEXURE C: OUR TRADEMARKS (Cont'd)

C.3 Vietnam

We are the registered owner of the following trademark in accordance with the Law on Intellectual Property (No. 50/2005/QH11) of Vietnam:

No.	Trademark	Registration no.	Validity period	Class of trademark
1.		32042	26 May 1998 to 26 May 2018	Class 36

Notes:

- (1) Trademarks registered in Vietnam will be valid for a period of 10 years from the date of application and may be renewed for further periods of 10 years.
- (2) The trademark is registered under Class 36 with the goods or services specification of provision, operation and management of service apartments.

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ANNEXURE D: OPINIONS ON GOVERNMENTAL LAWS, DECREES, REGULATIONS OR LEGISLATIONS RELATING TO REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT OF OUR MATERIAL FOREIGN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES BY OR TO OUR COMPANY



13 November 2017

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Our reference:
2852814

Dear Sirs

Repatriation of capital and remittance of profits of a corporation incorporated in Australia by or to its non-resident parent company

1 Background

- 1.1 We are acting as the legal counsel to Sime Darby Property Berhad ("**SD Property**") (a company incorporated in Malaysia) in respect of the laws of Australia, for the purpose of issuing this legal opinion in connection with the listing and quotation of the entire enlarged issued share capital of SD Property on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad ("**Listing**"). This legal opinion is prepared for purposes of inclusion in the prospectus issued by SD Property in connection with the Listing.
- 1.2 We confirm that we are duly qualified to practice law within Australia and such qualification has not been revoked, suspended, restricted or limited in any manner whatsoever. Accordingly, we are duly qualified to issue this legal opinion.
- 1.3 We have been asked to summarise the relevant laws of Australia in connection with the repatriation of capital and remittance of profits of a corporation incorporated in Australia by or to its non-resident parent company.

2 Repatriation of Capital and Remittance of Profits


- 2.1 Australian companies are incorporated under the Corporations Act 2001 ("**Act**"). The Act does not require the company's shareholders to reside in Australia.
- 2.2 Australian companies are subject to their constitutions, which may impose restrictions on the company in addition to those in the general law. Australian companies may amend or replace their constitutions by a special resolution of shareholders and complying with any additional requirements their constitutions impose with respect to their amendment or replacement. A special resolution will only be passed if at least 75% of members present and voting, vote in favour of the resolution.

APAC-#47654202-v3

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ANNEXURE D: OPINIONS ON GOVERNMENTAL LAWS, DECREES, REGULATIONS OR LEGISLATIONS RELATING TO REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT OF OUR MATERIAL FOREIGN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES BY OR TO OUR COMPANY (Cont'd)

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- 2.3 Under the laws of Australia, the capital and/or profits of a corporation incorporated in Australia may be repatriated and/or remitted by and/or to its members (including non-resident members outside of Australia) in the following ways:
- (a) Declaration and payment of dividends
- (i) A company can distribute its profits or reserves to members in the form of dividends. Section 254T of the Act provides that a company must not pay a dividend unless:
- (A) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (B) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (C) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.
- (ii) The assets and liabilities of the company are to be assessed in accordance with accounting standards in force at the relevant time.
- (iii) The directors of a company may determine that a dividend is payable and fix the amount, time for payment and method of payment of dividends and the methods of payment may include, cash, the issue of shares, the grant of options and the transfer of assets. Interest is not payable on a dividend.
- (iv) Section 254W of the Act provides that:
- (A) each share in a class of shares in a public company has the same dividend rights unless:
- (1) the company's constitution provides for the shares to have different dividend rights; or
- (2) different dividend rights are provided for by special resolution of the company; and
- (B) subject to the terms on which shares in a proprietary company are on issue (governed by the company's constitution) the directors of a proprietary company may pay dividends as they see fit.
- (b) Reduction of share capital
- (i) Section 256B(1) of the Act provides that a company may reduce its share capital in a way that is not otherwise authorised by the Act if the reduction:
- (A) is fair and reasonable to the company's shareholders as a whole;
- (B) does not materially prejudice the company's ability to pay its creditors; and
- (C) is approved by shareholders under section 256C of the Act, including making necessary filings with the Australian Securities and Investments Commission ("ASIC").
- (ii) The reduction in capital must not materially prejudice the company's ability to pay its creditors. The company's shareholders must also approve the reduction by resolution at a general meeting of the company. For an equal reduction of share capital, approval is attained by the passing of an ordinary resolution at a general meeting. For selective reduction, approval is attained through the passing of a special resolution or by a unanimous ordinary resolution voted on by all ordinary shareholders. A single member

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company does not need to issue a notice of meeting or hold a meeting to pass a resolution. A company that has only one member may pass a resolution by the member recording it and signing the record. The reduction of share capital may or may not include the cancellation of shares. However, if the reduction involves a cancellation of shares, the reduction must be approved by a special resolution passed at a meeting of shareholders whose shares are to be cancelled.

(c) Share buy-back

(i) Section 257A of the Act provides that a company may buy-back its own shares if:

(A) the buy-back does not materially prejudice the company's ability to pay its creditors; and

(B) the company follows the procedures laid down in Division 2 of the Act.

(ii) The provisions of the Act recognise five types of share buy-backs: equal access, on-market, employee share scheme, selective buy-back and minimum holding. Within those types, different rules apply between share buy-backs involving 10% or less of the total shares to be purchased within a twelve-month period, and share buy-backs involving over 10% (the 10/12 limit). If a company buys back 10% or less of total voting shares on issue within a 12 month period, shareholder approval is not required. If the 10/12 limit is exceeded, where the buy-back is an employee share scheme, on-market or equal access scheme, the company's members must, by ordinary resolution, approve the share buy-back at a general meeting. If the buy-back is a selective buy-back, the company's members must, by special or unanimous resolution, approve the share buy-back at a general meeting. Before the notice of meeting is sent to shareholders, the company must lodge with ASIC a copy of the notice of meeting and any document relating to the buy-back that will accompany the notice. . Where the buy-back is an equal access scheme or a selective buy-back, the company must also lodge the document setting out the terms of the offer and any other documents that will accompany the offer with ASIC. The company will return money to its members in respect of the member's shares being bought back. The buy-back provisions do not distinguish between proprietary and public companies.

(d) Winding up

(i) A solvent company may be wound up voluntarily if the directors provide ASIC with a solvency declaration and the company's members resolve, by special resolution, to wind up the company. A special resolution will only be passed if at least 75% of members present and voting, vote in favour of the resolution. In accordance with clause 494 of the Act, the solvency declaration requires the directors to declare that they have enquired into the company's affairs and that at a meeting of directors, the company has formed the opinion that the company will, in fact, be able to pay its debts in full within 12 months after the winding-up commencement. If a director fails to act with care and diligence or fails to inform themselves adequately of the company's position before making a declaration of solvency, he/she may be found guilty of an offence. If a director breaches section 494 of the Act, the applicable general penalty provision is 50 penalty units (the current value of a penalty unit is \$158.57) or imprisonment for 1 year, or both. If a director is also found guilty of breaching his/her duty as director, civil penalty provision may apply. The maximum pecuniary penalty payable for a breach of a civil penalty provision is \$200,000.

(ii) The company in general meeting must appoint a liquidator or liquidators for the purpose of winding-up the affairs and distributing the property of the company. The role of the liquidator, among other things, is to distribute the company's assets to its creditors equitably and any surplus to the company's members.

2.4 For the purposes of paragraph 2 of this opinion, we have examined:

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- (a) the following laws, rules and regulations that are applicable to each of the methods described in paragraph 2.3 of the repatriation and/or remittance of capital by and/or to its non-Australian incorporated shareholder outside of Australia;
 - (i) the Act ; and
 - (ii) Corporations Regulations 2001;
- (b) the following laws, rules and regulations that are applicable to each of the methods described in paragraph 2.3 of the repatriation and/or remittance of profits declared by an Australian corporation and/or payable to its non-Australian incorporated shareholder outside of Australia;
 - (i) the Act; and
 - (ii) Corporations Regulations 2001.

2.5 There are no exchange control laws, rules and regulations that are applicable in relation to any repatriation and/or remittance of capital and/or profits of an Australian corporation by and/or to its non-Australian incorporated shareholder outside of Australia.

2.6 Based on the foregoing, we are of the opinion that:

- (a) the repatriation and/or remittance of capital through a share buy-back, capital reduction or distribution of capital on a winding up can be effected subject to the restrictions and if applicable following the approval and other procedures under the Act and the company's constitution;
- (b) the repatriation and/or remittance of profits through a declaration and payment of dividends can be effected subject to the restrictions and if applicable following the approval and other procedures under the Act and the company's constitution; and
- (c) the repatriation and/or remittance of capital and/or profits described above are not subject to any relevant exchange control regulations in Australia.

3 Scope and Assumptions

- 3.1 We have assumed that other than the laws of Australia, there is no law of any other jurisdiction which would have any implication in relation to the opinions expressed herein. We have made no investigation of and express no opinion in relation to, the laws of any jurisdiction other than Australia. This opinion is to be governed by and construed in accordance with the laws of Australia and is limited to and is given on the basis of the current law and practice in Australia. This opinion is issued solely for your benefit (and the benefit of your advisers) and is not to be relied upon by any other person, firm or entity or in respect of any other matter, except that you may include a copy of this letter in the prospectus to be issued by SD Property in connection with the Listing, and provide a copy of this letter to the Securities Commission Malaysia and/or Bursa Malaysia Securities Berhad if so required in connection with the Listing.
- 3.2 No other person (whether or not a recipient of this opinion) is Norton Rose Fulbright Australia's client in relation to the Listing. In particular, this opinion is not a recommendation to any shareholders of SD Property on how they ought to vote on the matters contained within the Prospectus. Persons to whom this opinion is disclosed (other than the addressee of this opinion) should obtain their own professional advice in respect of the matters revealed by it.
- 3.3 Other than to SD Property, no responsibility or liability is accepted and any and all responsibility and liability is expressly disclaimed by Norton Rose Fulbright Australia and any of its members, partners, officers, affiliates, employees, advisers, associated firms or agents for any misstatements, misrepresentations in or omissions from this opinion to the extent permissible by law.
- 3.4 This opinion does not constitute a legal opinion or legal advice specific to any particular circumstance. This opinion provides a high level summary of the legal framework in relation to the repatriation of capital and remittance of profits of a company incorporated in Australia by or to its non-resident parent

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company only, and does not purport to be an exhaustive report on the subject matter which it covers. This opinion is limited to the matters stated in this opinion and no opinion is implied or may be inferred beyond the matters expressly stated in this opinion.

- 3.5 Except as stated in this opinion, we have not conducted any independent research or investigation into, nor examined any contracts, instruments or documents (whether publicly available or otherwise) entered into by or affecting SD Property or its subsidiaries nor any other corporate records of SD Property or its subsidiaries. We have made no further enquiries concerning SD Property or the Listing or any other matter in connection with the giving of this opinion.
- 3.6 We make no comment as to taxation or duty matters, which may materially affect the recipient of any repatriation and/or remittance of capital and/or profits and will depend on the specific circumstances at the relevant time.

Yours faithfully



Jeremy Wickens
Partner
Norton Rose Fulbright Australia

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9 November 2017

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Selangor Darul Ehsan
Malaysia

Dear Sirs

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Repatriation of Capital and Remittance of Profits of a Company Incorporated in the United Kingdom by or to its Non-Resident Parent Company

1 Background

- 1.1 We are acting as the legal counsel to Sime Darby Property Berhad (**SD Property**) (a company incorporated in Malaysia) in respect of the laws of England and Wales, for the purpose of issuing this Letter in connection with the listing and quotation of the entire enlarged issued share capital of SD Property on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad (the **Listing**). This Letter is prepared for purposes of inclusion in the prospectus issued by SD Property in connection with the Listing (the **Prospectus**).
- 1.2 We confirm that we are duly qualified to practice law within England and Wales and such qualification has not been revoked, suspended, restricted or limited in any manner whatsoever. Accordingly, we are duly qualified to issue this Letter.
- 1.3 We have been asked to summarise the relevant laws of England and Wales in connection with the repatriation of capital and remittance of profits of a company incorporated in England and Wales by or to its non-resident parent company.

2 The Letter

- 2.1 The Letter is a summary of the legal framework for repatriation of capital and/or remittance of profits under English law.
- 2.2 **Repatriation of capital and/or remittance of profits**

(a) General

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- (i) This Letter gives a high level summary of the ways or methods in which a company incorporated in England and Wales can repatriate capital and/or remit profit to a non-resident shareholder. This is usually done through a corporate action, most commonly a dividend (but other methods of achieving this are also available, set out in more detail below), though it may also be effected through commercial intra-group arrangements (such as through management charges or interest on shareholder loans). We focus in this Letter on corporate actions. In addition, we understand that no subsidiary or associate of SD Property, which is incorporated in England and Wales, is a public limited company. Therefore, this Letter deals with private companies incorporated in England and Wales only (though many of the same rules may also apply to public companies incorporated in England and Wales).
- (ii) England and Wales does not have a regime of foreign exchange controls, so there are no general restrictions on the import and export of funds into or out of England and Wales, whether in domestic or foreign currency. However, for example, it may still be possible for an individual or entity in Malaysia to be subject to the financial sanctions regime in England and Wales, which is made up of several statutory instruments and European Union (EU) regulations, in the form of what is commonly called an "asset freeze". In that case, the relevant person or entity may be prohibited from, among other things, repatriating its existing invested funds out of England and Wales.

(b) Corporate actions

- (i) The Companies Act 2006 (**CA 2006**) is the principal legislation that governs the return of value to shareholders by a private company incorporated in England and Wales. This can be done in a variety of ways, principally a:
 - (A) distribution;
 - (B) reduction of capital;
 - (C) share buyback;
 - (D) redemption of shares; and/or
 - (E) distribution of assets on winding up.
- (ii) This Letter focuses specifically on the above forms of distribution to shareholders, but funds and/or assets may be transferred in other ways, such as through gifts, loans or contracts for goods and/or services. Certain transactions (such as upstream guarantees and similar transactions, at an undervalue between a company and a shareholder and/or a company and its parent) may be deemed a "distribution" under English law.

(A) Distributions

A distribution covers any distribution of a company's assets to its members, whether in cash or otherwise. When making a distribution, a private company must comply with the provisions set out in Part 23 of CA 2006. These provisions are of general application and do not restrict distributions by reference to the nationality of a recipient. A private company must have distributable profits in order to make a distribution. In general terms, these are "accumulated, realised profits, so far as not previously utilised by a distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made" (Section 830(2) of the CA 2006), and as determined by reference to the company's annual or, if applicable, interim accounts (Section 836 of the CA 2006).

The most common form of distribution is a cash dividend.

(B) Reduction of capital

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A private company limited by shares can, provided it is not prohibited to do so by its articles of association (the **Articles**), reduce its share capital by a special resolution of its shareholders, supported by either (i) court approval, or (ii) a solvency statement from its directors. By effecting a reduction of capital, a company can either (i) create distributable reserves out of which a distribution may be made, or (ii) distribute assets directly to its shareholders in consideration for effecting the reduction in capital.

(C) Share buyback

A private company limited by shares must comply with Part 18 of the CA 2006 if it wishes to buy back its own shares. A buyback contract is an agreement between the company and one or more of its shareholders whose shares are to be repurchased by the company. Unless the company's Articles require a higher majority, the agreement needs to be approved by the shareholders passing an ordinary resolution (Section 281(3) of the CA 2006). Under a share buyback, the company effectively returns capital to its shareholders by using the assets of the company to acquire the shares.

A share buyback can be funded from any of the following: (w) the distributable profits of the company; (x) the proceeds of a fresh issue of shares made for the purpose of financing the share buyback; (y) out of capital; or (z) by cash up to, in any financial year, the lower of £15,000 and the nominal value of 5% of its fully paid share capital. Each is subject to the company's Articles and the detailed rules set out in the CA 2006. These rules are of general application and do not restrict distributions by reference to the nationality of a recipient.

(D) Redemption of shares

A private company may issue redeemable shares, which must be redeemed by the company in accordance with the terms attached to those shares. A redemption of redeemable shares is treated in the same way and is subject to the same restrictions in the CA 2006 as a share buyback.

(E) Distribution of assets on winding up

A members' voluntary liquidation (**MVL**) is a procedure by which the value inherent in the assets of a private company is realised and the proceeds are distributed to the company's creditors and members. A private company is only permitted to enter into an MVL provided the shareholders pass a special resolution for its winding up and its directors are prepared to swear a statutory declaration of solvency of the private company under Section 89 of the Insolvency Act 1986. At the end of the liquidation, the company is dissolved. The process is managed by an appointed liquidator. Under an MVL, all creditors of the company must first be paid in full prior to any proceeds being distributed to shareholders.

(F) Based on and subject as set out in the foregoing:

- (x) the repatriation and/or remittance of capital through a share buyback / capital reduction / distribution of assets on a winding up can be effected subject to compliance with the restrictions and conditions summarised in this paragraph 2, and any other provisions applicable to the specific circumstances, which have to be complied with;
- (y) the repatriation and/or remittance of profits through a distribution can be effected subject to compliance with the restrictions and conditions summarised in this paragraph 2, and any other provisions applicable to the specific circumstances, which have to be complied with; and

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- (z) the repatriation and/or remittance of capital and/or profits described above are not subject to any relevant exchange control regulations in England and Wales.

3 Scope and Assumptions

- 3.1 This Letter is solely for the benefit of SD Property only in connection with the Listing and no other person may rely on it. It may not be disclosed to or relied on by any other person or for any other purpose and is not to be quoted or referred to or made public in any way without our prior written consent, save for: (a) the publication and inclusion of a copy of this Letter in the Prospectus; (b) a copy of this Letter being provided to the Securities Commission Malaysia, Bursa Malaysia Securities Berhad and/or any other regulatory authority, if required, in connection with the Listing; and/or (c) disclosed to the advisers of SD Property (acting in that capacity); but in each case, only on the basis that we do not assume any duty or liability to any person other than SD Property.
- 3.2 No other person (whether or not a recipient of the Letter) is Norton Rose Fulbright's (NRF) client in relation to the Listing, and NRF is not offering advice to any other person in relation to the Listing. In particular, this Letter is not a recommendation to any shareholders of SD Property or any other entity on how they ought to vote on the matters contained within the Prospectus. Persons to whom the Letter is disclosed (other than SD Property) should obtain their own professional advice in respect of the matters revealed by it.
- 3.3 Other than to SD Property, no responsibility or liability is accepted and any and all responsibility and liability is expressly disclaimed by NRF and any of its members, partners, officers, affiliates, employees, advisers, associated firms or agents for any misstatements, misrepresentations in or omissions from the Letter to the extent permissible by law.
- 3.4 This Letter does not constitute a legal opinion or legal advice specific to any particular circumstance. This Letter provides a high level summary of the legal framework in relation to repatriation of capital and/or remittance of profits of a company incorporated in England and Wales by or to its non-resident parent company, in the context of the Listing only, and does not purport to be an exhaustive Letter on the subject matter which it covers. This Letter is limited to the matters stated in this Letter and no matter is implied or may be inferred beyond the matters expressly stated in this Letter.

No other examination or enquiry

- 3.5 Except as stated in this Letter, we have not conducted any independent research or investigation into, nor examined any contracts, instruments or documents entered into by or affecting SD Property nor any other corporate records of SD Property. We have made no further enquiries concerning SD Property or the Listing or any other matter in connection with the giving of this Letter.

English law as at today's date

- 3.6 This Letter is based upon and limited to the laws of England and Wales in force at the date of this Letter as applied by the English courts (**English Law**) and we have no duty to keep you informed of subsequent developments which might affect this Letter. Moreover, no view is expressed as to European Community law save to the extent that it has been embodied into generally applicable English Law. It should be noted that on 23 June 2016, a referendum was held in the United Kingdom whether to remain in the EU which resulted in a vote for the United Kingdom to exit the EU. It is not clear whether and how this will be carried out, and the effect it will have on EU legislation that is applicable to England and Wales.
- 3.7 This Letter is given on the basis that this Letter and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by English Law.
- 3.8 This Letter is not to be taken as expressing an opinion on any matter or question which would be determined by reference to a law other than English Law and we have not investigated for the purposes of this Letter, the laws of any jurisdiction other than England and Wales.

ANNEXURE D: OPINIONS ON GOVERNMENTAL LAWS, DECREES, REGULATIONS OR LEGISLATIONS RELATING TO REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT OF OUR MATERIAL FOREIGN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES BY OR TO OUR COMPANY (Cont'd)

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- 3.9 This Letter is given on the basis that the English courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this Letter or its subject matter.
- 3.10 If a question arises in relation to a cross-border transaction, it may not be the English courts which decide that question and English law may not be used to settle it.
- 3.11 This Letter is not to be taken as expressing an opinion or advice on any matter or question which relates to tax.
- 3.12 We express no opinion on matters of fact.
- 3.13 The summaries set out in paragraph 2 do not constitute legal advice specific to any particular circumstances and are intended only as a general guide to current English Law (which is subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of English Law relating to their subject matter. The comments are general, so that they are not specific to the structure of any particular company or companies.

Third parties

- 3.14 No term of this Letter is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person.
- 3.15 This Letter deals with matters of English Law only. In this Letter, headings are for ease of reference only and shall not affect the interpretation of this Letter.

Yours faithfully



Norton Rose Fulbright LLP

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Appleby Ref 439595.0001/AW/DH

13 November 2017

Dear Sirs

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Andrew Weaver

Jersey laws on (1) repatriation of capital and/or remittance of profits and (2) policies on foreign investment

1. BACKGROUND

1.1 We are acting as legal advisers to Sime Darby Property Berhad (**SD Property**), a company incorporated in Malaysia, as to matters of Jersey law for the purpose of issuing this legal opinion in connection with the listing and quotation of the entire enlarged issued share capital of SD Property on the Malaysian stock exchange, the Main Board of Bursa Malaysia Securities Berhad (the **Listing**). This legal opinion is prepared for the purposes of inclusion in the prospectus issued by SD Property in connection with the Listing (the **Prospectus**).

1.2 We have been asked to summarise the relevant laws of Jersey in connection with:

- (a) the ability of a company incorporated in Jersey to repatriate capital and/or remit profits to a non-Jersey resident shareholder; and
- (b) any restrictions under Jersey law in relation to foreign investment into a Jersey company.

2. OPINION

2.1 **Repatriation of capital and/or remittance of profits:** Schedule 1 is a materially accurate summary of the methods by which a Jersey company may repatriate capital and/or remit profits to its shareholders (whether or not such shareholders are resident or non-resident in Jersey) under the Companies (Jersey) Law 1991, as amended (the **Law**).

2.2 **Foreign Investment:** Schedule 2 is a materially accurate summary of Jersey laws relevant to foreign investment into a Jersey company.

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Bermuda ■ British Virgin Islands ■ Cayman Islands ■ Guernsey ■ Hong Kong ■ Isle of Man ■ Jersey ■ Mauritius ■ Seychelles ■ Shanghai

ANNEXURE D: OPINIONS ON GOVERNMENTAL LAWS, DECREES, REGULATIONS OR LEGISLATIONS RELATING TO REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT OF OUR MATERIAL FOREIGN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES BY OR TO OUR COMPANY (Cont'd)

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2.3 **Effectiveness:** Based on and subject as set out in the foregoing, the repatriation and/or remittance of capital and/or profits through a:

- (a) distribution;
- (b) redemption by a company of its own shares;
- (c) purchase by a company of its own shares;
- (d) reduction of capital; and/or
- (e) summary winding up,

can be effected subject to the restrictions and conditions as set out in Schedule 1 which have to be complied with, along with any other provisions, restrictions and/or conditions applicable to the specific circumstances.

2.4 **Exchange control:** Based on and subject as set out in the foregoing (including for the avoidance of doubt the summary set out at Schedule 2), the repatriation and/or remittance of capital and/or profits described above are not subject to any relevant exchange control regulations in Jersey.

3. RESERVATIONS AND OBSERVATIONS

This opinion is subject to the reservations and observations set out in Schedule 3.

4. JERSEY LAW

4.1 This opinion is limited to matters of and is interpreted in accordance with the laws of Jersey and we express no opinion with respect to the laws of any other jurisdiction.

4.2 This opinion is given on the basis that this opinion and any dispute, claim or obligation (whether contractual or non-contractual) arising out of or in connection with it, its subject matter or formation shall be governed by Jersey Law.

4.3 This opinion is not to be taken as expressing a report on any matter or question which would be determined by reference to a law other than Jersey Law and we have not investigated for the purposes of this opinion, the laws of any jurisdiction other than Jersey.

4.4 This opinion is given on the basis that the Jersey courts shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) arising out of or in connection with this opinion or its subject matter.

ANNEXURE D: OPINIONS ON GOVERNMENTAL LAWS, DECREES, REGULATIONS OR LEGISLATIONS RELATING TO REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT OF OUR MATERIAL FOREIGN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES BY OR TO OUR COMPANY (Cont'd)

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5. BENEFIT OF OPINION

5.1 This opinion is solely for the benefit of SD Property only in connection with the Listing and no other person may rely on it. It may not be disclosed to or relied on by any other person or for any other purpose and is not to be quoted or referred to or made public in any way without our prior written consent, save for:

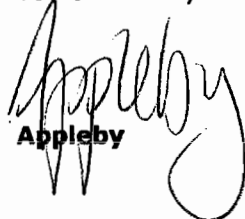
- (a) the publication and inclusion of a copy of this opinion in the Prospectus;
- (b) a copy of this opinion being provided to the Securities Commission Malaysia, Bursa Malaysia Securities Berhad and/or any other regulatory authority, if required, in connection with the Listing; and/or
- (c) disclosed to the advisers of SD Property (acting in that capacity),

but in each case, only on the basis that we do not assume any duty or liability to any person other than SD Property.

5.2 No other person (whether or not a recipient of this opinion) is Appleby's client in relation to the Listing, and Appleby is not offering advice to any other person in relation to the Listing. In particular, this opinion is not a recommendation to any shareholders of SD Property or any other entity on how they ought to vote on the matters contained within the Prospectus. Persons to whom this opinion is disclosed (other than SD Property) should obtain their own professional advice in respect of the matters revealed by it.

5.3 Other than to SD Property, no responsibility or liability is accepted and any and all responsibility and liability is expressly disclaimed by Appleby and any of its members, partners, officers, affiliates, employees, advisers, associated firms or agents for any misstatements, misrepresentations in or omissions from the Report to the extent permissible by law.

Yours faithfully



Appleby

ANNEXURE D: OPINIONS ON GOVERNMENTAL LAWS, DECREES, REGULATIONS OR LEGISLATIONS RELATING TO REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT OF OUR MATERIAL FOREIGN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES BY OR TO OUR COMPANY (Cont'd)

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SCHEDULE 1

Repatriation of capital and remittance of profits

1. GENERAL

1.1 The Law is the principal legislation that governs the return of value to shareholders of a company incorporated in Jersey. There are five principal ways in which this can be achieved, being:

- (a) distribution;
- (b) redemption by a company of its own shares;
- (c) purchase by a company of its own shares;
- (d) reduction of capital; and
- (e) summary winding up.

1.2 The above arrangements may also potentially incur certain taxation charges, however that subject is beyond the scope of this opinion.

2. DISTRIBUTIONS

2.1 A distribution is defined by the Law to mean every description of distribution of a Jersey company's assets to its members as members, whether in cash or otherwise, other than a distribution by way of:

- (a) an issue of shares as fully or partly paid bonus shares;
- (b) the redemption or purchase of any of the Jersey company's shares;
- (c) any reduction of capital made in accordance with Part 12 of the Law; or
- (d) a distribution of assets to members of the Jersey company on its winding up.

2.2 A cash dividend is a form of distribution and a Jersey company will therefore need to comply with the distribution rules set out in Article 115 of the Law.

2.3 A distribution made in accordance with Article 115 of the Law is not a reduction of capital for the purposes of Part 12 of the Law.

2.4 A Jersey company may make a distribution at any time. The general rule is that a Jersey company (other than an open-ended investment company) may make a distribution which reduces the net assets of the company only if the directors

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who are to authorise the distribution make a statement that they have formed the opinion that, in summary:

- (a) immediately following the date on which the distribution is proposed to be made, the Jersey company will be able to discharge its liabilities as they fall due; and
- (b) having regard to:
 - (i) the prospects of the Jersey company and to the intention of the directors with respect to the management of the Jersey company's business; and
 - (ii) the amount and character of the financial resources that will in their view be available to the Jersey company,

the Jersey company is able to carry on its business and continue to discharge its liabilities as they fall due until the expiry period of 12 months immediately following the date on which the distribution is proposed to be made or until the company is dissolved in accordance with the Law, whichever occurs first.

- 2.5 Distributions may be funded from profits or certain capital sources. A Jersey company with par value shares may not make a distribution of capital out of nominal share capital or a capital redemption reserve but it can make a distribution from a share premium account or other capital reserve account. No such restriction applies to a Jersey company with no par value shares which may make distributions from any capital source. Subject to compliance with the provisions of the Law, a par value Jersey company may convert to a no par value Jersey company in order to make a distribution out of stated capital (which would arise on conversion from nominal share capital) or capital redemption reserve.
- 2.6 Directors who make the statement described in paragraph 2.4 above without having reasonable grounds for the opinion expressed in the statement are guilty of an offence.
- 2.7 If the solvency statement is not made in accordance with the Law, the distribution is unlawful and the recipient is potentially liable to repay it in the manner prescribed by the Law. A Jersey company that has made an unlawful distribution may apply to the Royal Court of Jersey (the **Court**) for retrospective validation of the distribution. This relief is discretionary and its availability will depend on the circumstances existing at the time of the Court's decision.

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3. REDEMPTION OF A JERSEY COMPANY'S OWN SHARES

3.1 A Jersey company may, if authorised to do so by its articles, issue limited shares that may be redeemed either in accordance with their terms at the option of the Jersey company or of the shareholder. Similarly, a Jersey company may convert non-redeemable shares into redeemable shares. In either case a Jersey company must continue to have non-redeemable shares in issue.

3.2 A Jersey company may redeem its shares only if the directors who are to authorise the redemption make a statement that they have formed the opinion that, that in summary:

(a) immediately following the date on which the distribution is proposed to be made, the Jersey company will be able to discharge its liabilities as they fall due; and

(b) having regard to:

(i) the prospects of the Jersey company and to the intention of the directors with respect to the management of the Jersey company's business; and

(ii) the amount and character of the financial resources that will in their view be available to the Jersey company,

the Jersey company is able to carry on its business and continue to discharge its liabilities as they fall due until the expiry period of 12 months immediately following the date on which the payment is proposed to be made or until the company is dissolved in accordance with the Law, whichever occurs first.

3.3 Directors who make the statement described in paragraph 3.2 above without having reasonable grounds for the opinion expressed in the statement are guilty of an offence.

3.4 Redeemable shares of a Jersey company (other than an open-ended investment company) may be redeemed from any source but only when they are fully paid up.

3.5 A payment on redemption of shares may be made either in cash or otherwise than in cash, or a combination of the two.

4. PURCHASE OF A JERSEY COMPANY'S OWN SHARES

4.1 A Jersey company may purchase its own limited shares. Generally, the provisions relating to share redemptions, set out above (including, without

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limitation, as to solvency statements), also apply when a Jersey company purchases its own shares.

- 4.2 The Law prescribes formalities to the procedure for an own share purchase including a requirement that the purchase must be sanctioned by a special resolution of the Jersey company (unless it is a purchase by a Jersey company that is a wholly-owned subsidiary of another Jersey company).
- 4.3 A copy of the special resolution referred to at paragraph 4.2 above must be registered with the registrar within 21 days of the date that the special resolution being passed.
- 4.4 If shares are to be purchased otherwise than on a stock exchange, they may only be purchased pursuant to a contract approved in advance by a resolution of the Jersey company and the shares shall not carry the right to vote on the resolution sanctioning the purchase or approving that contract.
- 4.5 If shares are to be purchased on a stock exchange, the resolution authorising the purchase must specify:
- (a) the maximum number of shares to be purchased;
 - (b) the maximum and minimum prices which may be paid; and
 - (c) a date, not being later than five years after the passing of the resolution, on which the authority to purchase is to expire.
- 4.6 A Jersey company may not purchase its own shares if, as a result of the purchase, there would no longer be a shareholder of the Jersey company holding shares other than redeemable shares or treasury shares.
- 4.7 Only fully paid shares may be purchased.

5. REDUCTION IN CAPITAL

- 5.1 A Jersey company may by special resolution reduce its capital accounts in any way.
- 5.2 Except as provided in paragraph 5.3 below, every reduction of capital must either be confirmed by the Court or be supported by a solvency statement in order for it to be effective. Such requirements can be found in Articles 61 and 61A of the Law.
- 5.3 The following reductions of capital do not need to be confirmed by the Court or be supported by a solvency statement:

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- (a) a reduction of capital by extinguishing or reducing a capital account maintained in respect of unlimited shares; and
- (b) a reduction of capital by reducing a share capital account or stated capital account that is, in either case, maintained in respect of limited shares it:
 - (i) the reduction does not extinguish or reduce the liability on any share in respect of capital that is not paid up; and
 - (ii) the reduction does not reduce the net assets of the Jersey company,

and the amount of the reduction is credited to a capital redemption reserve that may be applied only in paying up unissued shares that are to be allotted to members as fully paid shares.

- 5.4 Where the solvency statement procedure is followed, a similar solvency statement as for distributions, redemptions or purchases is required but, contrary to those processes, the reduction solvency statement must be filed on the public register. A copy of the solvency statement must be delivered to the registrar, together with certain other information prescribed by the Law, within 15 days of the special resolution being passed.
- 5.5 A director who makes a solvency statement without having reasonable grounds for the opinion expressed in it is guilty of an offence.

6. SUMMARY WINDING UP

6.1 Provided:

- (a) no declaration has been made under the Bankruptcy (Désastre) (Jersey) Law 1990 in respect of it or its assets; and
- (b) it has no liabilities or liabilities that it will be able to discharge in full as they fall due,

a Jersey company may seek to be summarily wound up.

6.2 The requirements which need to be met and the procedure which needs to be followed is set out Chapter 2 of Part 21 of the Law. These include the need for:

- (a) a statement of solvency signed by each director of the Jersey company regarding the assets and liabilities of the Jersey company;
- (b) within 28 days after the statement of solvency has been signed by the directors, the passing of a special resolution that the Jersey company be wound up summarily; and

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- (c) the statement of solvency and the special resolution to be delivered to the registrar for registration within 21 days of the date that the special resolution being passed.
- 6.3 The summary winding up commences when the special resolution referred to in paragraph 6.2(b) is passed. From the commencement of the summary winding up, the Jersey company's powers may not be exercised except so far as may be required:
- (a) to realise its assets;
 - (b) to discharge its liabilities; and
 - (c) to distribute its assets in accordance with the Law.
- 6.4 If a Jersey company has no assets and no liabilities (as confirmed in the statement of solvency), the Jersey company will be dissolved from the point the statement of solvency is registered by the registrar.
- 6.5 Where the Jersey company has assets and no liabilities the Jersey company must, on the registration of the statement of solvency by the Jersey registrar of companies, distribute its assets among its members according to their rights or otherwise as provided by its memorandum or articles of association. Once the assets have been so distributed, the Jersey company must deliver to the registrar a statement signed by each of the directors stating that the Jersey company has no assets and liabilities and the Jersey company will be dissolved from the point this statement is registered.
- 6.6 Where the Jersey company has liabilities, the Jersey company, after the registration of the statement of solvency by the Jersey registrar of companies:
- (a) must satisfy those liabilities as they become due or within six months of the commencement of the winding up, as the case may be; and
 - (b) if the directors of the Jersey company reasonably believe that the Jersey company is able to pay any remaining liabilities as they fall due, may then distribute its remaining assets among its members according to their rights or otherwise as provided by its memorandum and articles of association.

Once the liabilities have been met and the remaining assets among its members according to their rights or otherwise as provided by its memorandum or articles of association, the Jersey company must deliver to the registrar a statement signed by each of the directors stating that the Jersey company has no assets and liabilities and the Jersey company will be dissolved from the point this statement is registered.

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SCHEDULE 2

Policies on foreign investment

1. FOREIGN OWNERSHIP - GENERAL

1.1 Subject to paragraph 1.2 below, Jersey does not have any legislative framework of general application that restricts or limits investment in a Jersey company by overseas entities by reference only to the residence or nationality of a shareholder.

1.2 Jersey does enforce a sanctions regime which could restrict investing in Jersey for certain identified persons, sectors, countries or regions. Jersey gives effect to international sanctions adopted by the European Union (which in turn adopts all United Nations sanctions). If an individual is the subject of a sanction, then they potentially may be barred from investing in Jersey (subject to the extent of the particular sanction).

1.3 Save for certain exceptions, there is no general requirement under the Law that a Jersey resident participates in the management of a Jersey company or holds shares in a Jersey company.

2. EXCHANGE CONTROL

Jersey does not have a regime of foreign exchange controls. As such, there are no restrictions, nor are any approvals required, in relation to any form of payment or the import and export of funds into or out of Jersey.

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SCHEDULE 3

Reservations and Observations

1. **No other examination or enquiry:** except as stated in this opinion, we have not conducted any independent research or investigation into, nor examined any contracts, instruments or documents entered into by or affecting SD Property nor any other corporate records of SD Property. We have made no further enquiries concerning SD Property or the Listing or any other matter in connection with the giving of this opinion.
2. **Limited to matters herein:** this opinion does not constitute a legal opinion or legal advice specific to any particular circumstance. This opinion provides a high level summary of the matters contained herein in the context of the Listing only, and does not purport to be an exhaustive report on the subject matter which it covers. This opinion is limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated herein.
3. **Jersey law as at today's date:** this opinion is based upon and limited to the laws of Jersey in force at the date of this opinion as applied by the Jersey courts and we have no duty to keep you informed of subsequent developments which might affect this opinion.

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13 November 2017

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Dear Sirs

Repatriation of Capital and Remittance of Profits of a Corporation Incorporated in Hong Kong by or to its Non-Resident Parent Company

1 Background

- 1.1 We are acting as the legal counsel to Sime Darby Property Berhad (**SD Property**) (a company incorporated in Malaysia) in respect of the laws of Hong Kong, for the purpose of issuing this legal opinion in connection with the listing and quotation of the entire issued share capital of SD Property on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad (**Listing**). This legal opinion is prepared for purposes of inclusion in the prospectus issued by SD Property in connection with the Listing (**Prospectus**).
- 1.2 We are duly qualified to practice law within Hong Kong and such qualification has not been revoked, suspended, restricted or limited in any manner whatsoever. Accordingly, we are qualified to issue this legal opinion.
- 1.3 We have been asked to summarise the relevant laws of Hong Kong in connection with the repatriation of capital and remittance of profits of a private corporation incorporated in Hong Kong by or to its non-resident parent company.

HOK-#13220388-v2

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2 Repatriation of Capital and Remittance of Profits

- 2.1 Under the laws of Hong Kong, the capital and/or profits of a corporation incorporated in Hong Kong may be repatriated and/or remitted by and/or to its non-resident shareholder outside of Hong Kong in the following ways:
- (a) Declaration and payment of dividends;
 - (b) Redemption of redeemable shares;
 - (c) Share buy-back;
 - (d) Capital reduction; and/or
 - (e) Distribution of assets on a winding-up.
- 2.2 Section 267 of the Companies Ordinance (Cap 622 of the Laws of Hong Kong) (**Companies Ordinance**) prohibits a company from acquiring its own shares, whether by redemption, buy-back, subscription or otherwise except as provided by the Companies Ordinance.
- 2.3 Declaration and payment of dividends
- (a) The profits of a corporation incorporated in Hong Kong may be remitted to its non-resident shareholder outside Hong Kong by way of declaration and payment of dividends to the shareholders of the company. Dividends may be distributed to shareholders in cash or in kind in accordance with the company's articles of association and the Companies Ordinance.
 - (b) According to sections 297 and 302 of the Companies Ordinance, a corporation incorporated in Hong Kong may only pay dividends out of its accumulated, realised profits (so far as not previously utilised for distribution or capitalisation), less its accumulated, realised losses (so far as not previously written off in a reduction or reorganisation of capital) by reference to and justified by the company's last audited financial statements laid before the company's general meeting.
 - (c) A company may impose additional restrictions to the declaration and payment of dividends in its articles of association, including but not limited to whether the declaration and payment of the dividends should be approved by its shareholders and/or its directors.
- 2.4 Redemption of redeemable shares
- (a) A private company may redeem its shares in accordance with its articles of association and the Companies Ordinance. Before issuing a redeemable share, directors of the company may determine or amend the terms, conditions and manner of redemption of shares as authorised by the company's articles and association or by resolution of the company. The company must not issue redeemable shares at a time when there are no issued shares in the company other than the redeemable shares. The company must not redeem its own shares unless they are fully paid and the shares must be paid for on redemption.
 - (b) The company may redeem its own shares by payment out of (i) the company's distributable profits; (ii) the proceeds of a fresh issue of shares made for the purpose of the redemption; (iii) its capital as authorised by special resolution of the company, and the payment and redemption must be made no earlier than five weeks and no later than seven weeks after the date of the special resolution; or (iv) the combined of any one of the above sources.
 - (c) On redemption of the company's own shares, the redemption monies payable must be deducted by the total amount of the price paid by the company for the shares from (i) the company's share capital if the shares were redeemed out of capital; (ii) the company's profits if

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the shares were redeemed out of profits; or (iii) the company's share capital and profits proportionately if the shares were redeemed out of both capital and profits.

2.5 Share buy-back

- (a) A private company may buy-back its own shares in compliance with the Companies Ordinance and its articles of association. The company must obtain special resolution passed by independent shareholders approving the share buy-back and entering into a share buy-back agreement with the shareholders concerned. The shares must be paid for on buy-back. A private company is prohibited to apply an unrealised profit in paying up any amount unpaid on its issued shares and must not buy back its own shares unless they are fully paid. In addition, the company must not buy back its own shares if, as a result of the buy-back, there would no longer be any shareholders holding shares other than redeemable shares. The purchased shares will be treated as cancelled.
- (b) The company may buy back its own shares by payment out of (i) the company's distributable profits; (ii) the proceeds of a fresh issue of shares made for the purpose of the buy-back; (iii) its capital as authorised by special resolution of the company in compliance with the Companies Ordinance, and the payment and the buy-back must be made no earlier than five weeks and no later than seven weeks after the date of the special resolution; or (iv) the combined of any one of the above sources.
- (c) On buy-back of the company's own shares, the purchase monies payable for the buy-back must be deducted by the total amount of the price paid by the company for the shares from (i) the company's share capital if the shares were bought back out of capital; (ii) the company's profits if the shares were bought back out of profits; or (iii) the company's share capital and profits proportionately if the shares were bought back out of both capital and profits.

2.6 Capital reduction

- (a) A private company limited by shares may reduce its share capital in any way under the Companies Ordinance, such as by extinction or reduction of liability on unpaid capital, cancellation of paid-up capital or repayment of paid-up capital. However, a company must not reduce its share capital such that, as a result of the reduction, there would no longer be any shareholders holding shares other than the redeemable shares.
- (b) The company may reduce its capital either by (i) passing a special resolution supported by a solvency statement issued by the directors of the company; or (ii) passing a special resolution and applying by petition to the Court of First Instance for an order confirming the reduction.
- (c) A reduction of capital can create a distributable reserve out of which a distribution may be made, or can be used to distribute assets directly to shareholders in consideration for the reduction in capital.

2.7 Distribution of assets on a winding-up

- (a) According to Section 228 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the Laws of Hong Kong) (**Winding Up Ordinance**), a company may be wound up voluntarily if it is solvent and the shareholders have passed a special resolution in general meeting to wind up the company voluntarily (**Winding Up Resolution**). Directors of the company shall, within five weeks immediately before the date of passing the Winding Up Resolution, issue a certificate of solvency confirming that the company will be able to pay its debts in full within a period not exceeding 12 months from the commencement of the winding-up in accordance with Section 233 of the Winding Up Ordinance. In the same general meeting of passing the Winding Up Resolution, the company shall appoint liquidator(s) for the purpose of winding up the affairs and distributing the assets of the company. The company shall, within 14 days after passing of the Winding Up Resolution, give notice of the resolution by advertisement

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in The Government of the Hong Kong Special Administrative Region Gazette. The voluntary winding up shall be deemed to commence at the time of the passing of the Winding Up Resolution. The company shall, from the commencement of the winding up, cease to carry on its business, except as may be required otherwise. Subsequent to (i) the payment of all costs, charges and expenses properly incurred in the winding up, including but not limited to the remuneration of the liquidator(s) and legal fees, and (ii) settlement of all outstanding payment, fees or loans to any employees, creditors and residual potential claims in accordance with the Winding Up Ordinance, the liquidator(s) may then distribute the residual assets of the company to its shareholders.

- 2.8 For the purposes of paragraph 2 of this legal opinion, we have examined:
- (a) the following laws, rules and regulations that are applicable to each of the methods described in paragraphs 2.1, to 2.7 of this legal opinion, of (i) the repatriation and/or remittance of capital by and/or to its non-Hong Kong incorporated shareholder outside of Hong Kong; and (ii) the repatriation and/or remittance of profits declared by a Hong Kong corporation and/or payable to its non-Hong Kong incorporated shareholder outside of Hong Kong;
 - (A) the Companies Ordinance; and
 - (B) the Winding Up Ordinance.
 - (b) There are no relevant exchange control laws, rules or regulations in relation to any repatriation and/or remittance of capital and/or profits of a corporation incorporated in Hong Kong by and/or to its non-Hong Kong incorporated shareholder under Hong Kong law.
- 2.9 Based on the foregoing, we are of the opinion that:
- (a) the repatriation and/or remittance of capital by a private company incorporated in Hong Kong through a share buyback / capital reduction / distribution of assets on a winding up / redemption of redeemable shares can be effected subject to the restrictions and conditions set out in this paragraph 2 which have to be complied with;
 - (b) the repatriation and/or remittance of profits by a private company incorporated in Hong Kong through a declaration and payment of dividends can be effected subject to the restrictions and conditions set out in this paragraph 2 which have to be complied with; and
 - (c) the repatriation and/or remittance of capital and/or profits described above are not subject to any relevant exchange control regulations in Hong Kong.

3 Scope and Assumptions

- 3.1 We have assumed that other than the laws of Hong Kong, there is no law of any other jurisdiction which would have any implication in relation to the opinions expressed herein. We have made no investigation of and express no opinion in relation to, the laws of any jurisdiction other than Hong Kong. This legal opinion is to be governed by and construed in accordance with the laws of Hong Kong and is limited to and is given on the basis of the current law and practice in Hong Kong for a private company incorporated in Hong Kong. We have no duty to keep you informed of subsequent developments which might affect this legal opinion. This legal opinion is issued solely for your benefit (and the benefit of your advisers) and is not to be relied upon by any other person, firm or entity or in respect of any other matter, except that you may include a copy of this letter in the, and to provide a copy of this letter to the Securities Commission Malaysia and/or Bursa Malaysia Securities Berhad if so required in connection with the Listing.
- 3.2 No other person (whether or not a recipient of this legal opinion) is Norton Rose Fulbright Hong Kong's client in relation to the Listing. In particular, this legal opinion is not a recommendation to any shareholders of SD Property on how they ought to vote on the matters contained within the

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Prospectus. Persons to whom this legal opinion is disclosed (other than the addressee of this legal opinion) should obtain their own professional advice in respect of the matters revealed by it.

- 3.3 Other than to SD Property, no responsibility or liability is accepted and any and all responsibility and liability is expressly disclaimed by Norton Rose Fulbright Hong Kong and any of its members, partners, officers, affiliates, employees, advisers, associated firms or agents for any misstatements, misrepresentations in or omissions from this legal opinion to the extent permissible by law.
- 3.4 This legal opinion does not constitute a legal opinion or legal advice specific to any particular circumstance. This legal opinion provides a high level summary of the legal framework in relation to the repatriation of capital and remittance of profits of a corporation incorporated in Hong Kong by or to its non-resident parent company only, and does not purport to be an exhaustive legal opinion on the subject matter which it covers. This legal opinion is limited to the matters stated in this legal opinion and no legal opinion is implied or may be inferred beyond the matters expressly stated in this legal opinion.
- 3.5 Excepted as stated in this legal opinion, we have not conducted any independent research or investigation into, nor examined any contracts, instruments or documents entered into by or affecting SD Property or its subsidiaries nor any other corporate records of SD Property or its subsidiaries. We have made no further enquiries concerning SD Property or the Listing or any other matter in connection with the giving of this legal opinion.
- 3.6 On 1 July 1997, Hong Kong became a Special Administrative Region (Hong Kong) of the People's Republic of China. Under the Basic Law of Hong Kong (**Basic Law**), the laws of Hong Kong in force at 30 June 1997 (that is, the common law, rules of equity, ordinances, subordinate legislation and customary law):
- (a) shall be maintained, except for any that contravene the Basic Law, and subject to any amendment by the legislature of Hong Kong; and
 - (b) shall be adopted as laws of Hong Kong unless they are declared by the Standing Committee of the National People's Congress of the People's Republic of China (**Standing Committee**) to be in contravention of the Basic Law and, if any laws are later discovered to be in contravention of the Basic Law, they shall be amended or cease to have force in accordance with the procedure prescribed by the Basic Law.

On 23 February 1997, the Standing Committee decided that:

- (c) the laws in force in Hong Kong at 30 June 1997 (which include, the common law, rules of equity, ordinances, subsidiary legislation and customary law) except for those which contravene the Basic Law, are to be adopted as the laws of Hong Kong; and
- (d) certain ordinances and subsidiary legislation which are in contravention of the Basic Law are not to be adopted as the laws of Hong Kong.

One of such ordinances is the Application of English Law Ordinance (Cap.88) (**English Law Ordinance**). The English Law Ordinance applied the common law and rules of equity of England to Hong Kong.

- 3.7 We have assumed in giving opinion in this legal opinion that the effect of the decision of the Standing Committee, insofar as it relates to the English Law Ordinance, is to repeal the English Law Ordinance prospectively and that the common law and rules of equity of England which applied in Hong Kong on 30 June 1997 continue to apply, subject to their subsequent independent development which will rest primarily with the courts of Hong Kong which are empowered by the Basic Law to refer to precedents of other common law jurisdictions when adjudicating cases.

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- 3.8 We make no comment as to taxation or duty matters, which may materially affect the recipient of any repatriation and/or remittance of capital and/or profits and will depend on the specific circumstances at the relevant time.
- 3.9 No term of this legal opinion is enforceable pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) by any person.

Yours faithfully


Norton Rose Fulbright Hong Kong

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Your reference

Our reference

MOOR/YUHT/SP14102

Dear Sir/Madam

Repatriation of Capital and Remittance of Profits of a Company Incorporated in Singapore by or to its Non-Resident Parent Company

1 Background

- 1.1 We are acting as the legal counsel to Sime Darby Property Berhad (**SD Property**) (a company incorporated in Malaysia) in respect of the laws of Singapore, for the purpose of issuing this legal opinion in connection with the listing and quotation of the entire enlarged issued share capital of SD Property on the Malaysian stock exchange, the Main Market of Bursa Malaysia Securities Berhad (the **Listing**). This legal opinion is prepared for purposes of inclusion in the prospectus issued by SD Property in connection with the Listing (the **Prospectus**).
- 1.2 We confirm that we are duly qualified to practice law within Singapore and such qualification has not been revoked, suspended, restricted or limited in any manner whatsoever. Accordingly, we are duly qualified to issue this legal opinion.
- 1.3 We have been asked to summarise the relevant laws of Singapore in connection with the repatriation of capital and remittance of profits of a company incorporated in Singapore by or to its non-resident parent company.

2 Repatriation of Capital and Remittance of Profits

- 2.1 Under the laws of Singapore, the capital and/or profits of a company incorporated in Singapore may be repatriated and/or remitted by and/or to its non-resident shareholder outside of Singapore through the following corporate actions with respect to the company incorporated in Singapore:
 - (a) share buy-backs;

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- (b) capital reduction;
- (c) distribution of assets on a winding-up;
- (d) declaration and payment of dividends; and/or
- (e) redemption of redeemable shares.

2.2 A company's ability to carry out any of the aforementioned corporate actions will be subject to, among others, the requirements set out in its constitution, the provisions of the Companies Act (Cap. 50) of Singapore (the **CA**) as well as any other agreements or arrangements to which it is subject.

2.3 Share buy-backs

- (a) Under the CA, a company may, in certain circumstances, purchase or otherwise acquire its own shares (by way of a share buy-back) if it is expressly permitted to do so by its constitution. Share buy-backs may be effected by way of:
 - (i) an off-market acquisition on equal access scheme in accordance with section 76C of the CA;
 - (ii) a selective off-market acquisition in accordance with section 76D of the CA; and
 - (iii) a contingent purchase contract in accordance with section 76DA of the CA.
- (b) The company intending to effect a share buy-back, will need to first convene a general meeting of shareholders or execute a shareholders' resolutions in writing to pass an ordinary resolution (or in cases involving a selective off-market acquisition or a contingent purchase contract, a special resolution) allowing the company to buy-back its shares through an equal access scheme.
- (c) Throughout the period commencing from the shareholders' resolution authorising the purchase expiring on the date when the company next has to hold its Annual General Meeting or the date of the next Annual General Meeting (whichever is the earlier), the total amount of shares that can be bought during such period pursuant to the scheme, must not exceed twenty percent (20%) of the total number of issued shares (as at the date of any resolution passed pursuant to sections 76C, 76D or 76DA) of the type of shares being purchased. The authority to effect a share buy-back may be revoked in a general meeting. The aforementioned twenty percent (20%) limitation does not apply to redeemable preference shares.
- (d) Payment for share buy-backs may be made out of the company's capital or profits so long as the company is solvent. This ensures that creditors are not prejudiced.
- (e) In addition, directors and the chief executive officer of a company should not authorise any buy-backs if they know that the company is not solvent. Non-compliance with this may result in such director and/or chief executive officer being deemed guilty of an offence under the CA.
- (f) Where a company purchases its ordinary shares, it may keep them as treasury shares provided the amount of shares held by the company as treasury shares does not exceed ten percent (10%) of the total number of issued shares of the company at any particular time. Where the share capital of the company is divided into different classes, the aggregate number of treasury shares held by the company should not exceed ten percent (10%) of the total number of shares in the class of shares in question.

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2.4 Capital reduction

- (a) Pursuant to sections 78A(1) and (3) of the CA, a company may, unless such power is excluded or restricted under its constitution, reduce its share capital in accordance with the provisions set out in Division 3A of the CA, in any way and, in particular, do all or any of the following:
- (i) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;
 - (ii) cancel any paid-up share capital which is lost or unrepresented by available assets; or
 - (iii) pay off any paid-up share capital which is in excess of the needs of the company.
- (b) Reduction of capital can be carried out by way of:
- (i) passing a special resolution authorising the same;
 - (ii) meeting the solvency requirements in accordance with sections 78B and 78C of the CA (unless the reduction of capital does not involve either a reduction or distribution of cash or other assets by the company or a release of any liability owed to the company); and
 - (iii) meeting such publicity requirements as prescribed pursuant to the Companies Regulations (Rg 1) (the CR).
- (c) Creditors may, pursuant to section 78D of the CA, object to the reduction proposed under paragraph 2.4(b) above and if there are any such objections, the court will cancel the reduction if the court is satisfied that the creditors' claims have not been secured or they are insufficient safeguards for such claims. If there are no objections from creditors, the share reduction will take effect upon certain formalities (set out in sections 78E(1) and (2) of the CA) being complied with and no order of court is required.
- (d) Alternatively, a reduction of capital is also possible by way of special resolution subject to court approval. In such cases the capital reduction does not take effect until it receives approval by an order of court in accordance with section 78G of the CA.

2.5 Distribution of assets on a winding-up

- (a) Based on section 290 of the CA, a company may be wound up voluntarily by its members, if, among others, its members no longer wish for the business to continue.
- (b) When a company is wound up, its assets or the proceeds thereto will be used to pay off creditors after which the balance, if any, is distributed pro rata amongst the shareholders.
- (c) A voluntary winding up can be initiated where the company resolves to do so by a special resolution, subject to the terms of its constitution and/or any other agreement to which it or its members are subject to (as applicable). In a voluntary winding up, the directors of the company may make a statement pursuant to section 293(1) of the CA that the directors of the company are of the view that the company will be able to pay its debts in full within a period not exceeding 12 months after the commencement of the winding up. If the directors do so, the winding up will proceed as a members' voluntary winding up. In such circumstances, the shareholders will appoint the liquidator.
- (d) In a winding up, one of the principal roles of the liquidator is to recover the company's property so that it can be realised and the proceeds to be distributed to creditors with any balance going to the members. In most cases, this is a straightforward process. However, there may be circumstances where the company's property has been improperly transferred to third parties, and the liquidator is entitled to challenge such transactions and recover such property for

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purposes of the liquidation. Two common (but not exhaustive) instances involve undue preferences and undervalued transactions.

2.6 Declaration and payment of dividends

- (a) Under section 403 of the CA, a company may only pay dividends out of available profits.
- (b) Further restrictions in relation to the declaration of dividends are prescribed by sections 403(1A) to (1C) of the CA:
 - (i) any profits of a company applied towards the purchase or acquisition of its own shares in accordance with sections 76B to 76G of the CA (provisions relating to share buy-backs) shall not be payable as dividends to the shareholders of the company;
 - (ii) the restriction set out in paragraph 2.6(b)(i) above shall not apply to any part of the proceeds received by the company as consideration for the sale or disposal of treasury shares which the company has applied towards the profits of the company; and
 - (iii) any gains derived by the company from the sale or disposal of treasury shares shall not be payable as dividends to the shareholders of the company.
- (c) A director or chief executive officer of a company who wilfully pays or permits the payment of a dividend in the absence of profits will be liable to the creditors of the company for the amount of the debts due to them to the extent by which the dividends exceed the available profits.

2.7 Redemption of redeemable shares

- (a) Subject to compliance with the requirements set out in section 70 of the CA, its constitution and the terms and conditions of such redeemable shares, a company may redeem its redeemable shares in compliance with its constitution, the terms and conditions of such redeemable shares and the CA.
- (b) The redeemable shares may not be redeemed unless they are fully paid up at the time such redemption is made.
- (c) Where such redeemable shares are redeemed out of the capital of the company, all the directors of the company are required to make a solvency statement in relation to such redemption and arrange for the necessary filings to be completed.

2.8 For the purposes of paragraph 2 of this opinion, we have examined:

- (a) the following laws, rules and regulations that are applicable to each of the methods described in paragraph 2.1 of this opinion, of repatriation and/or remittance of capital by and/or to its non-Singapore incorporated shareholder, outside of Singapore;
 - (i) the CA; and
 - (ii) the CR.
- (b) the following laws, rules and regulations that are applicable to each of the methods described in paragraph 2.1 of this opinion, of the repatriation and/or remittance of profits declared by a Singapore company and/or payable to its non-Singapore incorporated shareholder outside of Singapore;
 - (i) the CA; and
 - (ii) the CR.

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Singapore does not have a regime of foreign exchange controls. There are no general restrictions on the import and export of funds into or out of Singapore, whether in domestic or foreign currency.

2.9 Based on the foregoing, we are of the opinion that:

- (a) the repatriation and/or remittance of capital through a share buy-back / capital reduction / distribution of assets on a winding up / redemption of redeemable shares can be effected subject to the restrictions and conditions set out in this paragraph 2 which have to be complied with;
- (b) the repatriation and/or remittance of profits through a declaration and payment of dividends can be effected subject to the restrictions and conditions set out in this paragraph 2 which have to be complied with; and
- (c) the repatriation and/or remittance of capital and/or profits described above are not subject to any relevant exchange control regulations in Singapore.

3 Scope and Assumptions

- 3.1 We have assumed that other than the laws of Singapore, there is no law of any other jurisdiction which would have any implication in relation to the opinions expressed herein. We have made no investigation of and express no opinion in relation to, the laws of any jurisdiction other than Singapore. This opinion is to be governed by and construed in accordance with the laws of Singapore and is limited to and is given on the basis of the current law and practice in Singapore. We have no duty to keep you informed of subsequent developments which might affect this opinion. This opinion is issued solely for your benefit (and the benefit of your advisers) and is not to be relied upon by any other person, firm or entity or in respect of any other matter, except that you may include a copy of this letter in the prospectus to be issued by SD Property in connection with the Listing, and to provide a copy of this letter to the Securities Commission Malaysia and/or Bursa Malaysia Securities Berhad if so required in connection with the Listing.
- 3.2 No other person (whether or not a recipient of this opinion) is Norton Rose Fulbright (Asia) LLP's client in relation to the Listing. In particular, this opinion is not a recommendation to any shareholders of SD Property on how they ought to vote on the matters contained within the Prospectus. Persons to whom this opinion is disclosed (other than the addressee of this opinion) should obtain their own professional advice in respect of the matters revealed by it.
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- 3.4 This opinion does not constitute a legal opinion or legal advice specific to any particular circumstance. This opinion provides a high level summary of the legal framework in relation to the repatriation of capital and remittance of profits of a company incorporated in Singapore by or to its non-resident parent company only, and does not purport to be an exhaustive report on the subject matter which it covers. This opinion is limited to the matters stated in this opinion and no opinion is implied or may be inferred beyond the matters expressly stated in this opinion.
- 3.5 Except as stated in this opinion, we have not conducted any independent research or investigation into, nor examined any contracts, instruments or documents (whether publicly available or otherwise) entered into by or affecting SD Property or its subsidiaries nor any other corporate records of SD Property or its subsidiaries. We have made no further enquiries concerning SD Property or the Listing or any other matter in connection with the giving of this opinion.

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- 3.6 We make no comment as to taxation or duty matters, which may materially affect the recipient of any repatriation and/or remittance of capital and/or profits and will depend on the specific circumstances at the relevant time.
- 3.7 No term of this opinion is enforceable pursuant to the Contracts (Rights of Third Parties) Act (Cap. 53B) of Singapore by any person.

Yours faithfully



Norton Rose Fulbright (Asia) LLP